HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
MARCH 23, 2016
APPLICATION SUMMARY

NAME OF PROJECT:	Alere Women's and Children's Health, LLC
PROJECT NUMBER:	CN1512-057
ADDRESS:	651 East Fourth Street, Suite 100 Chattanooga, (Hamilton County), Tennessee 37403
LEGAL OWNER:	Alere Women's and Children's Health, LLC 651 East Fourth Street, Suite 100 Chattanooga, Tennessee 37403
OPERATING ENTITY:	Not Applicable
CONTACT PERSON:	John Wellborn 615-665-2022
DATE FILED:	December 7, 2015
PROJECT COST:	$80,600
FINANCING:	Cash Reserves
PURPOSE FOR FILING:	Addition of 23 counties to an existing 13 county service area of a licensed home care organization limited to high risk obstetrical patients.

DESCRIPTION:

Alere Women's and Children's Health (Alere) is requesting Certificate of Need approval to expand its service area from 13 to 36 counties through the addition of 23 counties, including Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington Counties. If approved, the applicant will provide coverage located in all 36 counties of the East Tennessee Grand Division of the state. The existing and proposed service area counties are identified in the map of Tennessee on page 46 and in Table 6 on page 48 of the application.

Alere received approval for the establishment of a home care organization home agency in Matria Healthcare, Inc., CN9807-039A, at the October 28, 1998 meeting of the former Health Facilities Commission for the establishment of a home care organization resulting in licensure by the Tennessee Department of Health on November 13, 1998 for a 13-county service area located in the southeast portion of the East Tennessee Grand Division. The project involved the expansion from a home medical equipment provider to a home health agency (HHA) for high-risk obstetrical and diabetes patients in conjunction with home uterine monitoring devices and other home medical equipment services. Alere has operated the home health agency (HHA) in Chattanooga for approximately 17 years and is 1 of 3 Alere Women's Health licensed HHAs in Tennessee. Alere's parent company provides specialized home health care to high risk females and newborns nationwide with locations in approximately 20 states. Per the applicant's response to Item 3 in the December 16, 2015 supplemental response, the applicant continues to provide the in-home skilled nursing services for high risk obstetrical patients consistent with the scope of services approved in CN9807-039A.

Note to Agency Members: The applicant states it is able to provide post-partum newborn assessments should the need arise; however since the original application was limited to high risk obstetric patients, the same limitation applies to this application as well.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

HOME HEALTH SERVICES

1. The need for home health agencies/services shall be determined on a county by county basis.

2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.

   The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.

3. Using recognized population sources, projections for four years into the future will be used.

4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

Based on the number of patients served by home health agencies in the service area, estimation will be made as to how many patients could be served in the future.

The applicant states that the specialized nature of its existing licensed home health organization's provision of in-home services to high risk females of childbearing age approved in CN9807-039A is not comparable to the need formula used to predict the need by county for entire county populations of all ages. Further, the lack of comparable data for home health services provided to high-risk obstetrical patient target population by the 49 existing agencies licensed to serve one or more of the applicant's 23 proposed additional service area counties limits the applicant's ability to provide an estimate of need for in-home services to these types of patients.

Per Steps 1-4 above, the Tennessee Department of Health (TDH) estimate of need in the proposed 23 county service area is illustrated in the table on page 39 of the application. Using a population use-rate formula based on 2014 service volumes of existing providers and 2019 population estimates, the data indicates that existing providers have the capacity to provide home health services to approximately 50,416 patients of all ages in the proposed 23 county service area in 2019, however, only 26,786 patients are expected to need home health services during the period. As a result, the TDH need formula projects a difference or surplus of 23,627 patients in 2019.

It appears that this application does <u>not</u> meet the criterion.

5. Documentation from referral sources:

   a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

      The applicant provided support letters from physician and managed care health insurance referral sources that attest to their support for the applicant's proposed 23 county additional service area. The letters are attached to the original application.

      It appears that this criterion <u>has been met.</u>

   b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

The table on page 40 of the application provides an estimate of patients by service category in Year 1 of the project. Approximately 43 of 60 total patients (72%) are expected to receive preterm education, nursing surveillance and 17P/Makena medication administration to reduce the incidence of preterm birth. The nature and scope of cases by service category are described in the support letters from the physicians noted above. Additional information pertaining to Alere's scope of services, care delivery model and related illustrations is provided on pages 10, 11 and 24-29 of the application.

It appears this criterion has been met.

c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

The applicant provided letters from providers that attests to the need for Alere's specialized nursing services for high risk obstetrical patients.

It appears that this criterion has been met.

d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

The applicant received approved in CN9807-039A for the establishment of a home care organization servicing 13 counties received and was licensed by the Tennessee Department of Health (TDH) effective November 13, 1998. The agency has been serving high risk obstetrical patients in its 13 county licensed service area for the past 17 years. The applicant only provides in-home skilled nursing services for high-risk obstetrical patients of childbearing age. The same service will be provided to residents of the proposed 23-county additional service area under Alere's existing license.

It appears this criterion has been met.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

a. The average cost per visit by service category shall be listed.

Alere's average gross charge calculated from the Projected Data Chart. amounts to approximately $6,811/patient in Year 1, a 10.3% decrease from $7,594/patient in 2014. The rates of other selected HHAs in the service area are shown in Table 5A on page 42-R of the application. The applicant states that it is reimbursed on a bundled negotiated rate basis by TennCare and private payors and its scope of services for high risk obstetrical patients are unlike other traditional HHAs that operate in the service area. As such, the applicant alleges that it cannot provide separate costs and charges on a per visit or per hour basis that could be used to compare to the average costs per visit/hour of existing home health agencies in the applicant's proposed 23 county additional service area.

It appears this criterion may not apply to the applicant.

b. The average cost per patient based upon the projected number of visits per patient shall be listed.

As noted above, the applicant states it is reimbursed by TennCare and private managed care organizations on a negotiated, bundled per patient rate basis. For the proposed 23 county additional service area, the applicant projects $408,660 in gross revenues on 60 high risk female patients in Year One ($6,811/patient), and $630,234 on 94 patients in Year 2 ($6,811/patient). As shown on page 42 of the application, the average gross charge of other agencies during the 2014 JAR reporting period ranged from approximately $1,655/patient to $14,983/patient (group average gross charge of approximately $5,532.50/patient).

It appears this criterion has been met.

Staff Summary

Note to Agency members: This staff summary is a synopsis of the original application and supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italics.

Summary

Alere Women's and Children's Health (Alere), an existing, unique provider of specialty home care services for high risk females of childbearing age, is seeking Certificate of Need approval to expand its licensed service area approved in CN9807-039A from 13 to 36 counties in Tennessee. The applicant proposes to

provide in-home nursing services by licensed obstetrical registered nurses (RN) to high risk females of childbearing age that reside in the proposed 23 county additional service area under physician ordered plans of care. Alere's home office will coordinate operations in the 23-county additional service area through its existing office at 651 East 4th Street in Chattanooga. Alere had no deficiencies during its last annual TDH licensure survey on September 24, 2014.

The applicant is 1 of 3 licensed Alere home health agencies in Tennessee with offices in Nashville, Chattanooga and Memphis and is supported by regional clinical centers staffed by RNs and pharmacists that electronically monitor health care status of Alere's patients and participate in their care. The applicant's parent company holds Joint Commission accreditation for all of its home care organizations in 20 states across the country.

High risk obstetrical home health patients that will be served by the applicant in the 23 county additional service area are expected to be predominately TennCare managed care organization (MCO) recipients at a rate that is consistent with the applicant's current 81% TennCare MCO payor mix. Other forms of coverage include contracts with commercial plans, including Aetna, Cigna, Humana and United Health Care, private and self-pay sources. Medically indigent patients will continue to be served, as necessary.

The obstetrical RN in-home skilled nursing service activities required in connection with the care of high risk OB patients are described in detail in the application, including overviews of Alere's scope of services and care delivery model (pages 10-11) and benefits by type of service (pages 24-29). The roles of key clinical staff and leadership are described on pages 13-15R. Key clinical categories include the following: preterm labor education with nursing surveillance and 17P drug administration; nausea and vomiting in pregnancy; diabetes in pregnancy; managing hypertension disorders in pregnancy; and, coagulation disorders. ***Note: review of the clinical services description in the application revealed that 17P Administration Service (17P or Makena) is a skilled nursing drug administration treatment prescribed under physician orders. The drug is administered by the obstetrical RN weekly from 16 weeks to approximately 37 weeks gestation to reduce incidence of recurrent preterm birth.***

Ownership

Alere Women's and Children's Health, LLC has been registered in Tennessee since August 2005.

- The applicant's parent company is Alere Health, LLC whose parent is OptumHealth Care Solutions, Inc. These entities are ultimately owned

through other subsidiaries by United Health Group, a publically traded company.

- Alere Health, LLC was formed as a Delaware Corporation effective August 24, 2005. The parent company was formed as a result of a merger between Matria Healthcare and Artemis LLC.
- The applicant LLC has no individuals with membership interests.
- For more information about the ownership of the applicant LLC, please see the applicant's responses on pages 2 and 3 of Supplemental 1, and the company profile information included in United Health Group's 10K report filed with the United States Security and Exchange Commission (SEC) for the period ending December 31, 2014. The SEC report was submitted as an attachment in the original application.

Facility Information

- The parent office will not change as a result of the project to add 23 counties to the current licensed 13 county service area. The office will remain at its existing location in Chattanooga.
- Per Item 5, Supplemental 1, Alere plans to add an additional full time employee to its Optum Health affiliate office in Knoxville to provide additional staffing support for its expanded service area.
- There is no construction, renovation or modification required to implement the proposed project.

Project Need

- Meet demand for in-home skilled nursing services for high risk obstetrical (OB) patients referred by their physicians as being high risk for preterm delivery.
- Specialized in-home OB nursing services provide potential to reduce preterm deliveries, expensive hospital admissions and infant mortality rates.
- Need for access to in-home skilled nursing care by low income high risk obstetrical patients regardless of their ability to pay. ***Note: The applicant provided a comparison to other agencies and a detailed analysis of their potential caseloads (females of childbearing age) on pages 51a-51n of the application.***
- Need to expand service area geographic footprints of Alere HHAs in Tennessee for greater ease of contracting with TennCare MCOs statewide for in-home nursing care of high risk obstetrical patients enrolled in TennCare.

Note to Agency members: Per the Tennessee Department of Health (TDH) estimate of need in the proposed additional 23 county primary service area

(PSA), existing providers will have the capacity to serve 50,416 patients in 2019. Of these, 26,786 residents of the PSA or approximately 53% may need home health care during the period, a difference or surplus of 23,627 patients in 2019. Please note that this need is calculated for all home health patients of ages and sex, not just high risk obstetrical patients needing in-home obstetrical RN services.

Service Area Demographics

- The applicant's proposed 23 county additional primary service area (PSA) is located in major portions of the East Tennessee Grand Division.
- The total population is estimated at 1,705,646 residents in calendar year (CY) 2015 increasing by approximately 3.6% to 1,766,496 residents in CY2019.
- The overall statewide population is projected to grow by 3.7% from CY2015 to CY2019.
- The female age 15-44 population comprises approximately 18.3% of the 23 county total population compared to 19.7% statewide.
- The female age 15-44 population is expected to increase by 1.1% from 311,421 residents in CY2015 to 314,737 female residents in CY2019 compared to 2.4% statewide.
- As of April 2015, approximately 20.0% of the proposed service area population was enrolled in TennCare compared to 21% statewide.

Sources: Tennessee Department of Health population projections May 2013, Division of Policy, Planning and Assessment, Office of Health Statistics; U.S. Census Bureau QuickFacts, Bureau of TennCare.

Service Area Historical Utilization

Using licensure and provider utilization data from the provider Joint Annual Report (JAR) maintained by the Tennessee Department of Health, the applicant identified approximately 49 existing licensed home health agencies in the proposed 23 county PSA.

- The name of the agencies, location of parent offices, licensed counties and 3-year utilization trend for patients of all ages, including the applicant's estimate of utilization by females of childbearing age, is provided in detail on pages 51(a)-51(n) of the application.
- As a whole, the 49 agencies served approximately 69,096 patients statewide in 2012 decreasing by 5.6% to 65,257 patients in 2014.
- In 2014, approximately 47,598 patients or 73% of the 65,257 total patients served in Tennessee by the 49 agencies resided in the applicant's proposed 23 county PSA.

- A summary of service area provider utilization, including services provided to the applicant's high risk female target population, is shown in the table below.

Home Health Patients Served by Existing Agencies in Proposed 23 County PSA

Year	Total TN Patients All ages (M/F)	PSA Patients All ages (M/F)	PSA Patients 18-64 (M/F)	PSA Patients 18-64 (Female only)*
2014	65,257	47,598	11,099	5,550

**Note: utilization data for female patients in the 15-44 age cohort (Alere's target population) is not captured in the JAR. The applicant estimates approximately 50% of the 18-64 male/female age cohort are females.*

Applicant's Historical and Projected Utilization

The applicant served 50 patients, including 36 TennCare patients, from its existing 13 county PSA in 2014. Alere expects to serve 55 patients from its existing service area plus 60 patients from the proposed 23 additional counties for a total of 115 patients in Year 1, increasing to 149 total patients in Year 2. ***Note to Agency Members: In developing projected utilization, the applicant calculated a 0.030% use rate for the age 15-44 female population of its existing 13 county PSA and applied the rate to the proposed 23 county additional service area.***

The historical and projected utilization of the applicant's home health agency (HHA) is shown in the table below.

Alere's Historical and Projected Utilization

	Patients 2012	Patients 2013	Patients 2014	% Change '12-'14	2016 Year1	2017 Year2
Existing 13-county PSA	52	74	50	-5.1%	55	55
23-county additional PSA					60	94
Combined Total	52	74	50	-5.1%	115	149

Source: provider JAR; CN1512-057

The table above reflects the following:

- Utilization declined by approximately 5.1% from 52 patients in 2012 to 50 patients in 2014.
- High risk obstetrical patients of the proposed 23 county additional service area are expected to account for approximately 52.2% of the applicant's total caseloads in Year 1 increasing to approximately 63.1% of total caseloads in Year 2.
- Projected utilization of the 23 county additional service area was determined by using the applicant's existing female age 15-44 population

use rate as discussed on page 52-R. The calculation of projected caseloads is illustrated in Table 12B located on page 53d of the application.

Project Cost

The total estimated project cost is $80,600. Major costs include the following:

- Legal/administration/consulting fees - $60,000 or 74% of total cost.
- Moveable Equipment - $17,600 or 22% of total cost.
- The actual capital outlay is expected to be the same as the $80,600 total estimated project cost.

Historical Data Chart

The applicant provided a historical data chart on page 58 of the application showing the utilization and financial performance of its home health operations for services provided to high-risk obstetrical patients in its current 13 county licensed service area.

- Alere realized favorable net operating income of $48,838 in 2012 increasing to $56,516 in 2014.
- Average annual Net Operating Income (NOI) was favorable at approximately 14.9% of gross operating revenue in 2014.

Projected Data Chart

Alere provided two projected data charts, one for the proposed 23 county additional service area on page 59 of the application and a chart on page 60 for the applicant's total combined 36 county service area after project completion. Highlights from the 2 Projected Data Charts are shown in the table below.

Applicant's Historical and Projected Financial Performance, 2014-2016

Projected Financial Performance	2014 * (13 counties)	Proposed Counties Year 1 (23 Counties)	Combined Year 1 (36 Counties)
TN Patients	50	60	115
Gross Revenue	$379,702	$408,660	$783,265
Average Gross Revenue/patient	$7,594/patient	$6,811/patient	$6,811/patient
Provision for Charity	$3,797	$4,087	$7,833
Net Revenue	$145,144	$136,570	$261,758
Average Net Revenue/patient	$2,903/patient	$2,276/patient	$2,276/patient
Operating Costs	$88,628	$110,151	$197,233
Operating Costs/patient	$1,773/patient	$1,836/patient	$1,715/patient
Net Operating Income (NOI)	$56,516	$26,419	$64,525
NOI as a % of Gross Operating Revenue	14.9%	6.5%	8.2%

Highlights from the table above are noted as follows:

- The financial performance of the project appears to be favorable as proceeds from operating revenues exceed operational costs.
- For the agency as a whole, projected total gross operating revenue is expected to increase by approximately 206% from $379,702 on 50 total patients in 2014 to $783,265 on 115 patients in Year 1 (approximately $6,811/patient).
- Net operating revenue after bad debt, charity care, and contractual adjustments is $261,758 ($2,276/patient) in Year 1.
- Net operating income is estimated at $64,525 or approximately 8.2% of total gross revenue in Year 1.
- Charity care amounts to approximately 1.0% of total gross revenue in Year 1.

Charges

- Average gross operating revenue is approximately $6,811.00/patient in Year 1, a decrease from $7,594/patient in 2014. ***Note to Agency Members: The reason for the decrease in the applicant's charges may be similar to the explanation provided in a recently approved Certificate of Need for the expansion of Alere's service area in Middle-Tennessee (CN1506-025A). In that project, HSDA staff was advised that the decrease in the average gross charge is related to a change in the mix of therapies and services provided by Alere (CN1506-025A; Item 9, Supplemental 1).***
- The applicant's operating costs on a per patient basis appear to be consistent with historical performance.
- Alere expects that the proposed expansion of its service area will be cost effective and will operate with a positive margin.

Medicare and TennCare/Medicaid Payor Mix

- The applicant provides in-home services only to high risk obstetrical patients of childbearing age and does not currently hold or plan to seek Medicare provider certification.
- As illustrated in Table 16 on page 65 of the application, the applicant is heavily contracted with TennCare/Medicaid, averaging approximately 81% of total gross annual operating revenues in 2014. The applicant expects the TennCare payor mix to remain unchanged in Year 1 of the project.

Financing

The project start-up cost of $80,600 will be funded from cash reserves in the form of a cash transfer from OptumHealth Care Solutions, Inc, to Alere Health, LLC

(applicant's owner) and subsequently the applicant. The applicant and all of the parties noted are all ultimately related through common ownership by United Health Group (UHG), a publically traded company. Please note the following

- A November 30, 2015 letter from Joel Costa, Chief Financial Officer, Optum Health Care, Inc, attests to the availability of cash on hand to fund the project as documented in the Security and Exchange filings of UHG for the year ended 12/31/2014 and quarter ending 06/30/2015.
- Review of UHG's Consolidated Balance Sheet attached to the application revealed cash and cash equivalents of $7,495,000,000 for the year ended 6/31/14, total current assets of $23,556,000,000, and total current liabilities of $30,623,000,000 resulting in what appears to be an unfavorable current ratio of 0.76 to 1.0. Per the response to Item 7 of the December 16, 2015 supplemental response, the applicant states there are sufficient cash reserves available for the minimal project cost ($80,600) as confirmed in the 11/30/15 letter from the CFO of Optum Healthcare.

Note to Agency Members: Current Ratio is a general measure of liquidity and is the ratio of current assets to current liabilities which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Staffing

The applicant will utilize a combination of existing and new obstetrical RN employees as direct patient care staff to support the proposed 23 county additional service area. As noted on pages 35 and 36 of the application, Alere estimates it has existing employees that reside in 3 of the 23 counties. Highlights of the applicant's staffing plan are as follows:

- The applicant has a current nursing pool of 7 RNs or approximately 1.0 full time equivalents (FTEs).
- Alere plans to increase the HHA's nursing pool from 7 to 15 RNs by Year 2 of the project.
- The combined staffing will consist of approximately 7.86 total FTE, including 2.36 FTE from the pool of qualified Obstetrical RNs.
- The proximity of existing nursing pool staff by county of residence to principle cities in the proposed 23 county additional service area is illustrated in Table 3 on page pages 35 of the application.
- The resume of the corporate Medical Director, Norman Ryan, M.D. was provided in the attachments to the original application.

Licensure/Accreditation

Alere Women's and Children's Health was initially licensed by the Tennessee Department of Health effective November 13, 1998. Its current license expires May 16, 2016 and is in good standing as evidenced by its zero deficiency annual survey in September 2013. The applicant's Joint Commission accreditation expires May 2016. Copies of the last state survey and the July 11, 2013 Joint Commission letter are provided in the application.

Corporate documentation, copies of the office lease and additional miscellaneous material included in the original application are on file at the Agency office and will be available at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in **two** years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

Note: The applicant's owner has financial interest in this and other Certificate of Need projects as follows:

Pending Applications

Alere Woman's and Children's Health (Shelby), CN1512-056, has an application that will be heard at the March 23, 2016 Agency meeting for the addition of 16 counties, including, Benton, Carroll, Chester, Crockett, Decatur, Dyer, Gibson, Hardin, Henderson, Henry, Lake, McNairy, Obion, Perry, Wayne, and Weakley Counties to the existing 7-county service area of Alere Women's and Children's Health, a home health organization licensed by the Tennessee Department of Health effective December 21, 1998 whose parent office is located at 3175 Lenox Park Blvd, Suite 400, Memphis (Shelby County), TN, 38115. The project will not change the parent office of the applicant nor will it change the provision of services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs. The estimated project cost is **$79,000.**

Outstanding Certificate of Need

Alere Woman's and Children's Health (Davidson), CN1506-025A, has an approved Certificate of Need that will expire on December 1, 2017. The project was approved at the October 28, 2015 Agency meeting for the addition of 22

counties, including Cannon, Clay, Cumberland, DeKalb, Fentress, Franklin, Giles, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Moore, Overton, Pickett, Putnam, Smith, Stewart, Trousdale, Van Buren, and White Counties, to the existing 14 county service area of Alere Women's and Children's Health, a home health organization licensed by the Tennessee Department of Health effective March 1, 1999 whose parent office is located at 1926 Hayes Street, Suite 111, Nashville, TN. The project will not change the parent office of the applicant nor will it change the provision of services exclusively limited to the care of high-risk obstetrical patients and newborns with antepartum and postpartum needs. The total estimated project cost is **$84,000**. *Project Status Update: The project was recently approved.*

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent for other health care organizations in the service area proposing this type of service.

Pending Applications

Hero Healthcare, LLC, CN1504-012, has a pending application whose 2nd deferral request for a hearing at the October 28, 2015 Agency meeting resulted in action to place the application on hold based on a petition filed by the applicant for hearing by the Davidson Count Chancery Court. The applicant seeks Certificate of Need approval to establish a home health agency licensed in Anderson and Morgan counties restricted to home health services to a specific patient who is a beneficiary of the United States Department of Labor, Division of Energy Employees Occupation Illness Compensation Program (EEOICP). The principle office will be located at 231 Walls Hollow Road, Oliver Springs (Morgan County), Tennessee. The estimated project cost is $29,680. ***Note: Consideration of this application is on hold, pending the resolution of Hero Healthcare, LLC's petition against the Health Services and Development Agency in the Davidson County Chancery Court.***

Denied Applications

Critical Nurse Staffing, Inc., CN1210-049D, was denied at the January 23, 2013 Agency meeting for the establishment of a home care organization and initiation of home health services limited to patients who qualify for benefits under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) or the Federal Black Lung Program residing in Anderson, Campbell, Knox, Loudon, Monroe, Morgan, Roane, and Union Counties. The estimated project

cost was **$155,937**. *Reason for Denial: The applicant did not provide evidence that need existed nor that services are not being adequately provided by other agencies in the service area.*

CAMM Care LLC dba Patriot Homecare, CN1506-023D, was denied at the September 23, 2015 Agency meeting for the establishment of a home health agency licensed in Anderson, Knox, Meigs, Morgan, and Roane counties with the principle office located at 514 Devonia Street, Harriman (Roane County), Tennessee. The estimated project cost was **$41,080.** *Reason for Denial: The applicant did not meet the test of need based on the lack of evidence that the home health services would be unique and that other providers in the service area could not provide same.*

Outstanding Certificates of Need

Pentec Health, Inc., CN1411-046A has an outstanding Certificate of Need that will expire on August 1, 2017. The application was approved at the June 24, 2015 Agency meeting for the establishment of a home care organization and the initiation of home health services limited to intrathecal pump infusion and Ig-G replacement therapy services in all counties in Tennessee except Hancock, Perry and VanBuren Counties. The parent office will be located in leased space at 424 Church Street, Suite 2000, Nashville (Davidson County), TN. No branch offices are proposed. The applicant plans to utilize Pentec Health's existing pharmacy whose compounding branch site is located at the parent office at 4 Creek Parkway in Boothwyn, PA. The pharmacy has an active Tennessee license. The estimated project cost is **$142,028.00**. *Project Status: Pentec had not responded to HSDA's request for an update of the project within the timeframe specified to finalize the staff summary and process the application for mail out to the Agency Board Members. HSDA staff review of the TDH Licensed Health Facilities Report revealed that Pentec is not currently licensed by TDH. Information pertaining to the status of licensure, including Pentec's submission of an application for licensure to TDH, will be provided when available.*

Implanted Pump Management, CN1406-027A, has an outstanding Certificate of Need that will expire on August 1, 2017. The application was approved at the June 24, 2015 Agency meeting for the establishment of a home care organization and the initiation of home health services limited to intrathecal pump services. The parent office will be located at 200 Prosperity Place #102, Knoxville (Knox County), TN 37932. There are no branch offices proposed for this project. The service area includes all 95 counties in Tennessee. The estimated project cost is **$8,100.00.** *Project Status: HSDA was advised on 3/09/16 by a management representative that IPM has submitted an application for licensure to the Tennessee Department of Health and is awaiting notice from TDH of the survey date.*

Coram Alternative Site Services, Inc. d/b/a Coram Specialty Infusion Services, CN1406-017A, has a Certificate of Need that will expire on November 1, 2016. The project was approved at the September 24, 2014 Agency meeting for the establishment of a home care organization to provide the following specialized home health services related to home infusion: administer home infusion products and related infusion nursing services, by way of example and not limitation, line maintenance, infusion equipment repair and replacement, and dressing changes on central lines and external access ports. The proposed service area includes the following Tennessee counties: Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Fentress, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, McMinn, Meigs, Monroe, Morgan, Pickett, Polk, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington Counties, from its licensed home infusion pharmacy which will be located at 10932 Murdock Drive, Suite 101A, Knoxville (Knox County), TN 37932. The estimated project cost is **$95,200.00**. *Project Status Update: Review of the Licensed Facilities Report on the Tennessee Department of Health (TDH) website revealed that the agency has not been licensed as of 2/5/16. The most recent 7/24/15 Annual Progress Report indicated that services were expected to begin in September 15, 2015, subject to licensure by TDH. On 3/9/16 HSDA was advised by a Coram representative that delays in submitting an application for licensure by TDH have occurred due to staff hiring & training activities. The agency expects to submit the licensure application upon completion of its training and readiness preparations.*

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PJG
03/05/2016

LETTER OF INTENT

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published on or before December 10, 2015, for one day, in the following newspapers:

(a) the *Elizabethton Star,* which is a newspaper of general circulation in *Carter* County;

(b) the *Greeneville Sun*, which is a newspaper of general circulation in *Greene* County;

(c) the *Rogersville Review*, which is a newspaper of general circulation in *Hawkins and Hancock* Counties;

(d) the *Tomahawk*, which is a newspaper of general circulation in *Johnson* County;

(e) the *Kingsport Times-News*, which is a newspaper of general circulation in *Sullivan* County;

(f) the *Erwin Record*, which is a newspaper of general circulation in *Unicoi* County;

(g) the *Johnson City Press*, which is a newspaper of general circulation in *Washington* County;

(h) the *Knoxville News-Sentinel*, which is a newspaper of general circulation in *Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Morgan, Roane, Scott, Sevier, and Union* Counties.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Alere Women's and Children's Health LLC (a home health agency with its principal office in Hamilton County), owned and managed by Alere Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 23 counties, to be added to its current service area, at a cost estimated at $80,600: Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott Sevier, Sullivan, Unicoi, Union, and Washington.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office is located at 651 East Fourth Street, Suite 100, Chattanooga, TN 37403. The project does not contain major medical equipment or initiate or

discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

(Signature)	1 DECEMBER 2015 (Date)	bphillips@bassberry.com (E-mail Address)

COPY

Alere Women's and Children's Health, LLC (Hamilton Co)

CN1512-057

DSG Development Support Group

December 7, 2015

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application Submittal
Alere Women's and Children's Health, LLC--Expansion of Service Area
Chattanooga; Hamilton County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Brant Phillips is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,

John Wellborn

John Wellborn
Consultant

4219 Hillsboro Road, Suite 203
Nashville, TN 37215
jwdsg@comcast.net
Tel 615.665.2022
Fax 615.665.2042

PART A

1. Name of Facility, Agency, or Institution

Alere Women's and Children's Health, LLC (of Hamilton County)		
Name		
651 East Fourth Street, Suite 100		Hamilton
Street or Route		*County*
Chattanooga	TN	37403
City	*State*	*Zip Code*

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
Name		*Title*	
Development Support Group		jwdsg@comcast.net	
Company Name		*E-Mail Address*	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
Street or Route	*City*	*State*	*Zip Code*
CON Consultant	615-665-2022	615-665-2042	
Association With Owner	*Phone Number*	*Fax Number*	

3. Owner of the Facility, Agency, or Institution

Alere Women's and Children's Health, LLC	
Name	*Phone Number*
Same as in #1 above	
Street or Route	*County*
Same as in #1 above	
City	*State*	*Zip Code*

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	*x*
D. Corporation (For-Profit)		I. Other (Specify):	
E. Corporation (Not-for-Profit)			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS

5. *Name of Management/Operating Entity (If Applicable)* NA

Name		
Street or Route		*County*
City	*State*	*Zip Code*

6. *Legal Interest in the Site of the Institution (Check One)*

A. Ownership		D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of: 1 yr, annually renewable	x		

7. *Type of Institution (Check as appropriate—more than one may apply)*

A. Hospital (Specify): General		I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency	x	L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	
G. Mental Health Residential Facility		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify):	

8. *Purpose of Review (Check as appropriate—more than one may apply*

A. New Institution		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, Designation, Distribution, Conversion, Relocation	
B. Replacement/Existing Facility		H. Change of Location	
C. Modification/Existing Facility		I. Other (Specify):	x
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) Home Health		Home Health Service Area Expansion, limited to high-risk OB patients, newborns, & infants	
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. *Bed Complement Data* ***NA***

(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical					
B. Surgical					
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

10. Medicare Provider Number:	None
Certification Type:	NA
11. Medicaid Provider Number:	None
Certification Type:	NA

12. & 13. See page 4 ....

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

This is an existing home health agency. It is not eligible to be Medicare-certified because it serves only high-risk pregnant women, none of whom will be 65 or more years of age. It cannot be certified for TennCare because it has no Medicare number (a State requirement). However, the applicant is a major provider of care to TennCare patients by means of service contracts negotiated with all the TennCare MCO's themselves. The MCO's engage and pay Alere to care for many of their high-risk pregnant enrollees because they have found that Alere's "preventive" prenatal services greatly reduce hospital and physician costs that the MCO's would otherwise incur for these patients.

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? Yes IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

Table One: Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	**Applicant's Relationship**
AmeriGroup or BlueCare	contracted
United Healthcare Community Plan (formerly AmeriChoice)	contracted
TennCare Select	contracted

SECTION B: PROJECT DESCRIPTION
B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

• Alere Women's and Children's Health (Hamilton County office) is a highly specialized home health agency that has served thirteen Southeast Tennessee counties surrounding Chattanooga for many years. It is one of three Alere home health agencies in the State, and is part of a national network of Alere agencies supported by regional clinical centers that electronically monitor health status of Alere patients and participate in their care.

• Alere has a specialized and critically important home care mission. Alere works with, and under the direction of, patients' physicians, to provide clinically state-of-the-art home care exclusively to high-risk obstetrical patients for their antepartum and immediate postpartum needs. Alere does not provide other services, or care for newborns.

• In this application, Alere is proposing to add twenty-three additional Tennessee counties to the service area of its Hamilton County principal office, to be able to serve referring physicians' patients wherever they may live in the eastern half of Tennessee. This application is one of three applications being submitted to expand Alere's three service areas from 34 relatively populous counties to all 95 counties, including the least populous and lowest-income counties. The first, for Middle Tennessee, was unanimously approved in October.

• Alere is supported in its work, and in this application, by TennCare MCO's and other insurers, by perinatal centers in the region, and by numerous referring physicians who view its services and competencies as uniquely needed and beneficial.

Ownership Structure

• The applicant LLC is wholly owned by Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc., which is ultimately owned by United Health Group (a publicly traded company. Attachment A.4 contains more details, an organization chart for Optum and its subsidiaries, and information on the licensed Tennessee agencies owned by the applicant.

Service Area

• The applicant's current service area consists of 13 Southeast Tennessee counties: Bledsoe, Bradley, Coffee, Grundy, Hamilton, Marion, McMinn, Meigs, Monroe, Polk, Rhea, Sequatchie, and Warren. The applicant proposes to add to its service 23 additional Tennessee counties: Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington.

Need

• Alere programs protect the lives of physician- or payer-identified, high-risk expectant mothers, and prevent many fetal and newborn health problems that impose high medical and societal costs both during, and after, the pregnancy. Alere interventions reduce costly emergency room visits, maternal hospitalizations, and newborn admissions to Neonatal Intensive Care Units. Alere's positive impacts on restraining costs of care and on increasing high quality outcomes have resulted in strong physician and insurer support, wherever it operates. Approximately 72% of this agency's patients are TennCare mothers; so its services provide special fiscal benefits to State government.

• Tennessee's new Statewide TennCare MCO's need universal availability of Alere's services throughout the State. Physicians, insurers, and patients Statewide need access to the unique levels of care and expertise that Alere staffs provide.

• Approval of this application will result in greater accessibility to care for all high-risk pregnant women in the service area, and especially for TennCare enrollees. These patients are not adequately served today.

• Because of the highly specialized nature of Alere's services, as well as its unique patient population, the impact of this project on other existing providers will be minimal. The agencies now licensed for these counties served 47,598 patients in these twenty-three counties in 2014. The 94 patients Alere would serve in Year Two are less than two-tenths of 1% of those agencies' total caseloads from these counties. And many Alere patients will be women who would otherwise be going to local Emergency Rooms and hospitals for care, rather than being cared for at home.

• Alere believes that its services are uniquely beneficial to home health patients in this area, and that high-risk pregnant women in the proposed service area do not have adequate access to, or choice among, home care services this comprehensive, continuous, and clinically sophisticated.

• There are 49 home health agencies licensed currently to serve one or more of this project's proposed new service area counties. None of them is fully dedicated to the maternal patient population, as is Alere. Many of them do not serve significant numbers of TennCare or female patients under the age of 65. Approximately 72% of Alere's total patients are TennCare enrollees, all of them pregnant women facing problem pregnancies. Alere/Hamilton County's TennCare payor mix (on gross revenues) is 54%, which is matched by only 6 of the 49 area agencies, with 19 of the 49 (39% of them) reporting no TennCare revenues at all.

Project Cost, Funding, Financial Feasibility, and Staffing

• The cost of the project is insignificant. It requires no new offices, no construction, no major medical equipment. The cost of completing a CON review process is the largest cost. The total project cost for CON purposes will not exceed $80,600. Funding of all project costs will be provided by the parent company, United Health Group, through a cash transfer to the applicant LLC. Current and projected financial performance of the applicant agency shows a positive operating margin. The expansion of the Hamilton County office of Alere will require addition of approximately 4.18 FTE equivalents in Year Two.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.)* INCLUDING SQUARE FOOTAGE, MAJOR OPERATIONAL AREAS, ROOM CONFIGURATION, ETC.

Not applicable. There is no physical facility modification, renovation, or construction involved in this project.

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF $5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF $2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART.

UTILIZING THE ATTACHED CHART, APPLICANTS WITH HOSPITAL PROJECTS SHOULD COMPLETE PARTS A-E BY IDENTIFYING, AS APPLICABLE, NURSING UNITS, ANCILLARY AREAS, AND SUPPORT AREAS AFFECTED BY THIS PROJECT. PROVIDE THE LOCATION OF THE UNIT/SERVICE WITHIN THE EXISTING FACILITY ALONG WITH CURRENT SQUARE FOOTAGE, WHERE, IF ANY, THE UNIT/SERVICE WILL RELOCATE TEMPORARILY DURING CONSTRUCTION AND RENOVATION, AND THEN THE LOCATION OF THE UNIT/SERVICE WITH PROPOSED SQUARE FOOTAGE. THE TOTAL COST PER SQUARE FOOT SHOULD PROVIDE A BREAKOUT BETWEEN NEW CONSTRUCTION AND RENOVATION COST PER SQUARE FOOT. OTHER FACILITY PROJECTS NEED ONLY COMPLETE PARTS B-E.

Not applicable. There is no construction involved in this project. The proposed services will be managed by personnel in the existing Alere offfice in Chattanooga, which will require no expansion. Field staff (OB RN's who deliver the home care) will operate from their homes in counties within, or adjoining, the service area.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

Not applicable. There is no construction involved in this project.

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

The Applicant

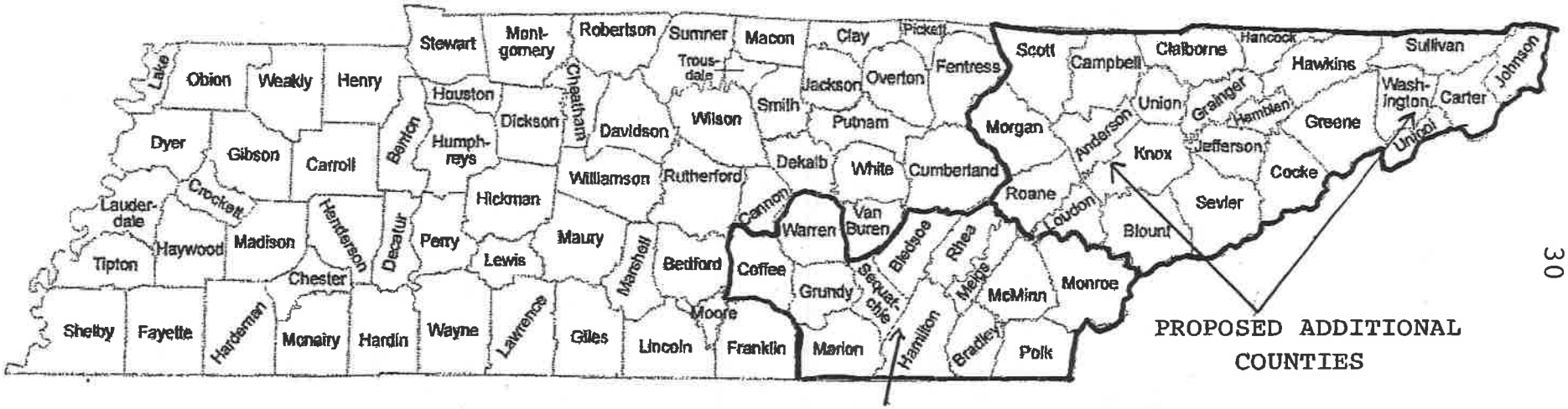
Alere Women's and Children's Health is a national leader in maternal-newborn healthcare management. Responding to physicians who need home care for their patients, Alere offers a full scope of programs from Preconception through Risk Assessment, and OB Case Management. In its more than 28 years of operation, Alere staff have provided care for more than three million pregnancies across America. The company is one of the world's largest employers of obstetrical RN's and obstetrical pharmacists.

Alere has served Tennessee mothers for 17 years, through three separately licensed home care agencies in Davidson, Hamilton, and Shelby Counties (as well as through an Alere medical equipment agency in Knoxville). Last year, the three home care agencies served 612 patients. Of those, 50 were served by Alere's Hamilton County agency.

Service Area

Alere's Hamilton County agency is proposing to expand its thirteen-county Middle Tennessee service area by twenty-three additional counties. They are Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington Counties.

The expansion will give Alere a 36-county coverage of the eastern half of Tennessee. A map of the expansion follows this response.



ALERE WOMEN'S AND CHILDREN'S HEALTH / HAMILTON COUNTY

CURRENT AND PROPOSED SERVICE AREA

Scope of Services

The services to be provided are those that Alere home health agencies provide currently, and have provided in authorized areas of Tennessee for decades: home care services exclusively for high-risk pregnant women. To clarify that it will not be in significant competition with any general home health agency already authorized in the service area, Alere is requesting CON approval with that condition.

The services offered by Alere are discussed in detail in Section B.II.C (Project Need) below. They can be grouped into several major categories:

- Preterm Labor Education With Nursing Surveillance and 17P Administration Service
- Nausea and Vomiting in Pregnancy (NVP)
- Diabetes in Pregnancy
- Managing Hypertension Disorders in Pregnancy
- Coagulation Disorders

These services are provided at the physician's direction to prevent or limit numerous risks to the pregnant woman and the fetus/newborn. Risks include:

- Physical and mental impairment of the newborn:
- Intractable nausea, vomiting, and dehydration of the mother;
- Maternal/infant mortality from uncontrollable blood sugar levels (diabetes);
- Infant morbidity/mortality from uncontrolled hypertension;
- Maternal death from deep vein thrombosis and pulmonary embolism;
- First trimester spontaneous abortions;
- Recurrent preterm birth
- High costs of avoidable NICU and hospital admissions

Care Delivery Model

Physicians request Alere to deliver home care to their obstetrical patients, to provide the best possible care at home, at the lowest cost, and also to avoid when possible

the costly and time-consuming visits to the practice office, visits to the Emergency Department, and hospital admissions that often occur when high-risk pregnant patients do not have a home care resource with Alere's levels of skill and continuous committed 24/7 oversight.

To respond to physicians' requests for services to their patients, Alere utilizes its own employed pool of highly experienced, obstetrical RN's who live in communities that are quickly accessible to the patient's home.

The assigned OB RN performs a comprehensive maternal/fetal home assessment and patient education is begun. The scope of evaluations and education include patient health issues; psychosocial, environmental, and home assessments; fetal movement assessment; and training and education in self-care protocols, nutrition, social habits, and activity requirements, to name a few.

Instruction is provided in the use of supplies and equipment (e.g., insulin pumps). Barriers to care are identified and dealt with (e.g. transportation needs; childcare; ability to comply with scheduled visits). Interdisciplinary resources are identified and organized to be available appropriately, including nurses, pharmacists, and dieticians.

Appropriate daily, weekly, and continuous care management occurs through home visits by the OB RN; telephonic assessments and direction by OB RN's and OB pharmacists; telephonic reporting by the patient (as often as multiple times day and night); and 24/7 telephonic clinical and educational guidance upon request, from Alere's unique national Patient Service Centers, staffed by OB pharmacists and OB RN's.

Equipment for medication infusion is remotely monitored and controlled as needed. Supplies are provided to the home by Federal Express, UPS, and the U.S. mail, as well as during OB RN visits. Patients are diligently supervised for compliance with prescribed services, which is one of the greatest issues for many of these patients. (Pursuit of compliance is the most effective way to optimize good outcomes). Detailed patient records are maintained by the OB Nurse; digitalized records are entered at Agency offices and at the Patient Service Centers; and weekly written reports are made to the referring physician and insurer case manager as requested.

Project Costs and Funding

The project will require only a very small capital expenditure, estimated not to exceed $80,600. No additional office space need be acquired to implement the project; it will be managed from Alere/Hamilton's existing office in Chattanooga.

The cost of the project will be funded entirely in cash, by the applicant's parent company, United Health Group (UHG).

Staffing

Approximately 4.18 *additional* FTE equivalents will be required in Year Two, to serve the 94 new patients per year that Alere expects to serve in these additional counties (based on current Alere/Hamilton County use rates). Of these, 1.26 FTE equivalents will be additional direct patient care OB nurses; the others will be local and regional support staff.

Home care services will be provided by obstetrical nurses employed to work as needed in counties within, or near, the proposed new service area. Alere's plan for ensuring rapid access to patients in the new counties is discussed in more detail in Section B.III.B.1 below.

Alere's staffing and its relationship to the referring physician and Alere consulting staff can be summarized as follows.

The patient's physician is the physician of record and refers the patient to Alere for the service required to manage the specific pregnancy-related condition requiring home care services. Alere works with the physician to develop the patient's plan of care. Alere develops, in consultation with the physician, written orders for home health services that include the specific treatment and modalities to be uses and specific and their amount/frequency and duration. The plan of treatment is reviewed on an ongoing basis as often as the severity of the patient's condition requires. At a minimum of every 62 days, the plan of treatment is sent for physician review and signature.

The OB Pharmacist is available telephonically as a consultant to the physician to assist with questions surrounding medication use in pregnancy, advises on dosages of medication, safety of medications, reviews drug to drug interactions, and makes recommendations on concomitant use of medications. For any Tennessee patient, telephonic guidance by Alere OB Pharmacists at the 24-hour Regional Call Centers is provided only by pharmacists who hold a valid license, and registered nurses who are licensed in the State of Tennessee. These are the only Alere providers serving Alere patients other than the patient's assigned Home Care OB RN.

The Home Care Director at Alere's office is responsible for Home Care Operations and supervision of all nursing and administrative functions associated with the operations of the Home Care facility. The Home Care Director is responsible for maintaining all regulatory and Joint Commission standards, for supervising staff, and for ensuring supervision and competency of staff by performing ongoing assessments. The Director co-travels to a patient's home to observe a visit to ensure each nurse's competency, annually. Directors report to Alere's Governing Board and participate in Quarterly reviews of Policies, Quality and Safety. Alere has an extensive, comprehensive Quality Management program that requires the reporting of all medication errors and all unexpected or adverse events related to patient care and the operation of the Home Care site.

Registered Nurses – Both Patient Educators (nurses that provide direct skilled nursing care in the home), and Perinatal Clinicians (nurses that provide telephonic management of the patient) are nurses with an active license in the state of Tennessee. All Registered Nurses employed by Alere have at least one year of high risk Obstetrical Experience, and all are capable to provide maternal-fetal assessments including the use of dopplers to assess fetal heart tones during the skilled nursing visits. These highly skilled nurses are well educated and versed in the management of the complexities surrounding diagnoses specific to the condition of pregnancy, which require a high level of skill and knowledge.

Alere's nurses provide skilled nursing care in the home, and patients also have 24/7/365 support telephonically from high-risk obstetrical nurses, who answer questions

and provide interventional nursing directions to address the patient's needs. For Tennessee patients, those nurses will hold a Tennessee license. Reports are provided to the patient's physician weekly, and also on an as-needed basis when there is any required change in the patient's plan of care.

Alere works with the physician, patient and OB Pharmacist to manage the patient's pain safely during pregnancy. Alere assesses the patient's pain at every visit and follows up accordingly. Alere does not offer or supervise the provision of pain management pumps.

When infusion pumps are required, Alere follows strict policies relative to safely managing them. The policies include the requirement to validate all pump programming/dosing with two Registered Nurses prior to patient placement. This is done to ensure the dosage is programmed per the plan of treatment. The pumps are programmed with maximum and minimum dosages as well as lock-out settings that prevent the patient from making changes to the pump that could result in the delivery of the wrong dosage of medication.

Alere does not utilize telemedicine to connect the patient with the patient's physician. Referring physicians are kept informed of their patients' conditions and the services being provided; but they rely on Alere staff to treat appropriately within the recognized scope of skilled nursing care. This is not a program to create a virtual physician office at the patient bedside. Physicians have no need or time to be present by telemedicine hookups. In the rare event of exceptional needs beyond the scope of appropriate skilled nursing care, the patient is immediately transported to the hospital or the physician office for physician-provided care.

All Alere personnel comply with the requirements of the Federal HIPAA rules and regulations, in maintaining patient confidentiality. All Alere Home Care employees are required to complete annual HIPAA training and to maintain documentation of all ongoing training and education.

Applicant's Clinical Leadership

Donna Whitsell, RN, is Alere/Hamilton County's Home Care Director. She has 30 years of nursing experience in the field of Obstetrics. She has been an Alere Home Care Director for 5 years and has successfully passed all State Surveys and Joint Commission surveys. This position is equivalent to the Director of Nursing position in other types of agencies.

Donna Whitsell reports to Laura Milner, RN, who is the Statewide Senior Home Care Director for all three of Alere's Tennessee offices (Nashville, Chattanooga, Memphis), in addition to serving as the Home Care Director for Alere/Davidson County.

Alere home health agencies do not require a local Medical Director because they work under the direction of the patients' physicians, with whom they are in continuous contact. Nationally, the Alere Medical Director is Norman Ryan, MD. His extensive CV is attached at the end of this letter.

How Alere Contracts

As explained in the application, Alere does not meet the requirements for a Medicare provider number. This is because Alere treats young, pregnant women exclusively--and does not consistently maintain the minimum average patient census needed to participate in Medicare. The lack of a Medicare provider number, however, does not limit Alere's ability to work with the TennCare MCOs. No exemption or waiver from TennCare is necessary for Alere because the TennCare regulations requiring participation in Medicare in order to obtain reimbursement from TennCare do not apply to Alere.

Unlike all (or virtually all) other home health providers in Tennessee, Alere is not paid using either the TennCare or Medicare fee schedules. Indeed, most of the highly specialized services provided by Alere are not covered by either the TennCare or Medicare fee schedules. Nonetheless, the TennCare MCOs want to make these services available to their members due to the demonstrated health benefits and the significant cost savings that Alere's services make possible through sharply reduced maternal and

NICU hospitalizations. To accomplish this, the TennCare MCOs independently contract with Alere on a fee-for-service basis using a negotiated fee schedule that is separate and distinct from either the TennCare or Medicare fee schedules. Under this arrangement, the MCOs pay Alere out of their own pockets and do not seek reimbursement for Alere's services from TennCare. Simply stated, Alere is not paid with TennCare dollars. Nor do the MCOs submit encounter data regarding Alere's services to TennCare.

Ownership

There are no individuals with membership interests in the applicant LLC. There are no plans to expand its ownership in the future. As stated in the application on page 5 (Executive Summary), Alere Women's and Children's Health, LLC is a wholly owned subsidiary of Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc., which is ultimately owned by United Health Group, a publicly traded company.

United Health Group is a very large publicly traded company with multiple divisions and services. The only home health care entity it owns directly or indirectly is Alere Women's and Children's Health, LLC. It owns no licensed physical facilities such as hospitals or nursing homes. Alere Women's and Children's Health, LLC has home health agencies licensed in twenty States.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

Not applicable. This project is for the expansion of an existing home health agency's service area. No facilities are included in the project.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

1. **ADULT PSYCHIATRIC SERVICES**
2. **ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS**
3. **BIRTHING CENTER**
4. **BURN UNITS**
5. **CARDIAC CATHETERIZATION SERVICES**
6. **CHILD AND ADOLESCENT PSYCHIATRIC SERVICES**
7. **EXTRACORPOREAL LITHOTRIPSY**
8. **HOME HEALTH SERVICES.....**

Special Needs Addressed By This Project

This CON application is being filed to give Alere programs broader availability to TennCare MCO's and private insurance companies that increasingly request Alere services for young women with special needs for pregnancy-related care.

TennCare MCO's will be a prime beneficiary. They are now Statewide organizations with a significant population of low-income women of childbearing age, in both urban and rural counties. Many of these women face pregnancy risks of the type addressed by Alere home care programs. The MCO's are responsible for paying their costs of healthcare. The MCO's and their patients' physicians value high-quality home care partners that can provide all needed interventional services to those women.

With appropriate home care, pregnant at-risk women can be spared significant health problems and their insurers can avoid significant costs.

But without appropriate home care, these young women will either (a) not receive needed care, resulting in increased maternal/fetal morbidity and mortality, or (b) they will have to obtain it from more costly and difficult-to-reach sources such as hospital Emergency Departments, hospital acute care units, neonatal intensive care units, and their physicians' practice offices. Obtaining specialized care at home is a much more cost-effective option, as well as being the option that has better outcomes for maternal/fetal health.

The applicant has identified 49 licensed home care agencies that are authorized to operate in one or more of the counties in the service area. However, Alere's entry into this service area is needed for the following reasons, among others:

- Because of its historical, long-standing focus on *only* problem pregnancies--and because it uses appropriate technology to supervise and provide guidance in the patient's home between personal home visits--Alere's programs provide a scope and effectiveness of care that are not routinely available from existing area agencies. Service area patients should have Alere as one of their home care options because of this expertise alone.

- Alere is one of the most TennCare-accessible agencies in Middle Tennessee, unlike many home health agencies licensed in these 23 counties. Of the 49 licensed agencies, only 6 had a TennCare payor mix as high as Alere/Hamilton's 54% TennCare payor mix. Approximately 72% of Alere/Hamilton's Tennessee patients are TennCare patients.

- Many physicians and insurers want access to Alere's programs of care, because they perceive that Alere provides care programs not available elsewhere. Many home health agencies avoid serving the high-risk population due to risks of litigation and liability should the births not go well. This creates an accessibility problem for some women, regardless of their insurance source and income status.

- Alere also feels that even if another provider does present evidence of providing Alere's type of service, that does not negate the need for this service's approval. First, those other providers may not cover all of the East Tennessee counties proposed in this project. Second, area consumers, physicians, and insurers have a strong interest in having a meaningful choice (i.e., reasonable duplication) among agencies for patients who require high-risk specialized care. Without that choice, providers will never have to engage in healthy competition for optimal quality of care and optimal outcomes. The applicant believes that the HSDA Board will want to strike a balance between creating such beneficial consumer/insurer choices, and avoiding excessive duplication of ordinary home care services. This project is not, obviously, an ordinary home care service.

• The Joint Annual Reports (JAR's) do not record data that document existing home health providers' services to women of childbearing age (15-44 years of age). However, JAR's do record (unspecified) services to the larger age cohort of "pre-Medicare" adult females (age 18-64). The applicant's Tables Ten-A through Ten-D later in this application compile that data and rank agencies in terms of their dependence on pre-Medicare adult female patients locally (i.e., the percent those patients constitute, of the agency's total patients in the proposed counties), and Statewide (i.e., the percent those patients constitute, of the agency's total patients in all counties licensed to that agency). Those rankings show that relatively little home health service of any kind is provided to adult pre-Medicare age women, by agencies for whom women constitute 15% or more of their patient base within these counties.

To "drill down" further to identify if those women being served are high-risk pregnant, Alere use the rankings to telephonically survey a sample of those agencies that (a) cared for more than *one* woman age 18-64 in the proposed counties during 2014, and also (b) had *at least a 15% dependency* on this age group of women within the proposed service area. Only 13 of the agencies met both criteria.

The surveyor, an experienced OB nurse, interviewed spokespersons for all 13 agencies, asking if they serve high-risk pregnant women, including TennCare patients. The survey found that none of the 13 agencies serves high-risk pregnant women and some do not serve TennCare. The survey table on the following pages provides the survey responses and the agencies' dependency statistics. It is Alere's belief that these agencies' unpreparedness to serve high-risk women is representative of all the agencies now functioning in the proposed service area.

SURVEY OF KEY AGENCIES IN ALERE / HAMILTON'S PROPOSED SERVICE AREA COUNTIES

State License Number	Agency Name and Information Provided To Alere OB RN	Estimated 2014 Female Patients Age 18-64 from Proposed Counties	Females Age 18-64 as Percent of Agency's Patients In Alere's Proposed Counties	Females Age 18-64 as Percent of Agency's Patients Statewide
249	Advanced Home Care, Inc., Sullivan Co. 423-378-7330; Erica *Response: They specialize in PT and OT and do not have nurses trained in pregnancy-related conditions.*	358	15.7%	15.7%
86	Advanced Home Care, Inc., Greene Co. 423-783-6501: Connie *Response: They focus on PT. They do not care for pregnant patients unless they need therapy of something they offer. They can not listen to fetal heart rates.*	147	18.0%	18.0%
131	Careall Home Services, Knox Co. 865-531-9988; Kim *Response: They do not have the equipment to take care of fetal surveillance during pregnancy; they do not take TennCare patients.*	109	16.0%	15.9%
	Clinch River Home Health,			
1	Anderson Co. 865-457-4263 *Response: They do not take TennCare patients. (Note: They formerly subcontracted with Alere for pregnancy care but Alere no longer subcontracts with them.)*	75	15.5%	15.5%
42	Elk Valley Health Services, Inc., Davidson Co. 615-360-1116; Allison *Response: None as yet*	15	21.7%	5.1%

320	Hometown Health Care, Inc., Hawkins Co. 423-272-7941; Rita *Response: Do not have equipment to manage high risk pregnancy; cannot listen to fetal heart tones.*	18	19.1%	19.1%
2	Maxim Healthcare Services, Inc., Knox Co. 865-330-2336; Chris *Response: Rarely provide nursing visit to a pregnant patient; unsure if staff have skills to care for pregnant patients.*	27	17.5%	17.5%
269	Medical Center Homecare, Washington Co. 423-392-3510; Jennifer, Vanessa *Response: Do not employ nurses with high risk OB experience. Do not have equipment to assess fetal heart tones. Do not routinely receive referrals for pregnant patients.*	36	19.9%	19.9%
87	ProCare Home Health Services, Greene Co. 423-434-5130; Regina *Response: Do not have OB nurses.*	90	17.2%	17.2%
287	Quality Home Health, Fentress Co. 931-864-6055 *Response: Do not care for patients with pregnancy issues.*	408	23.2%	11.3%
80	Quality Private Duty Care, Fentress Co. 931-752-7699; Myla *Response: Do not have OB nurses and cannot assess fetal heart rates.*	31	16.1%	3.4%

16	Sunbelt Homecare, Campbell Co. 423-784-2452; Theresa Response: Do not have OB nurses and do not routinely care for conditions in pregnant women.	38	15.6%	15.6%
189	Swetwater Hospital Home Health, Monroe Co. 865-213-8508; Geraldine *Response: Do not have OB nurses to care for pregnant women.*	9	17.0%	1.4%

Expertise and the Beneficial Impact of Alere's Care Programs

Alere contends that for high-risk pregnant women and their neonates, its array of staffing, technology, 24/7 care availability, and diligence in attaining patient compliance and good outcomes, is superior on a routine basis to that of any other home health agency in the service area. It is therefore important to introduce it as a care option in these counties--especially for the TennCare population where these needs are so great. On subsequent pages, the applicant provides a description of the main clinical care programs offered to Alere patients (not to newborns in Tennessee). All services described are "skilled nursing services" as defined by law and regulations and by those who reimburse for this care. Alere sends to the patient only OB RN's who are skilled in providing the services described.

BENEFITS OF ALERE OBSTETRICAL HOMECARE SERVICES

Program: Preterm Labor Education With Nursing Surveillance and 17P Administration Service
Health Condition(s) Addressed: • Physician has diagnosed a maternal risk of preterm labor (at less than 37 weeks gestation). • Physician has diagnosed patient with history of previous preterm birth. Administration of 17p from 16wks to 36 & 6/7 wks gestation is prescribed to reduce incidence of recurrent preterm birth.
Health Risks of Condition: • Premature births are associated with increased physical and mental limitations of the infant, some of which are correctible, and others of which are lifetime afflictions.
Costs of Conditions, Unaddressed: • More emergency room visits and higher cost to the health plan • Longer hospital stays and higher costs for the health plan prior to giving birth • NICU (neonatal intensive care unit) and acute care stays and costs for newborns • Lifetime patient and societal costs of coping with enduring limitations.
Alere Interventions: • Comprehensive maternal/fetal home assessment and education by OB RN • Comprehensive scope of evaluations and education--patient health / psychosocial, environmental, home assessments / assessments of fetal movement / training in self-care protocols, nutrition, social habits, etc. (see detailed list following this section). • Weekly injections of "17P" or "Makena" by OB RN to reduce recurrent preterm births • 24/7 telephonic OB nurse availability
Benefits of Alere Interventions: • Diligent supervision by Alere OB RN's yields 97% Alere patient compliance with weekly injection requirements. Compliance is directly associated with reductions in preterm deliveries. • Elimination of barriers to care (ie. Transportation, childcare issues, missing scheduled visits etc) to improve compliance with weekly injection schedule. 17P reduces preterm birth incidence by 34%. • Reduced costs of ED visits, maternal hospitalizations, NICU care, and future health and societal costs. • A 2006 National Institute of Medicine study of 5,609 Medicaid patients with a history of preterm delivery, who received weekly 17P injections, identified almost a 50% reduction of preterm deliveries, with a Medicaid net savings of $8,090 per birth.

Note: "17P" is abbreviated name of 17 alphahydroxyprogesterone caproate.

Program: Nausea and Vomiting in Pregnancy (NVP)
Health Condition(s) Addressed: • Intractable nausea, vomiting, and dehydration (hyperemesis gravidarum) in pregnancy
Health Risks of Condition: • Severe discomfort and inability to perform activities of daily living • Dehydration • Malnutrition mother/fetus
Costs of Conditions, Unaddressed: • ER visits, 24hr observation stays, hospital admissions of the expectant mother to alleviate symptoms and reduce potential maternal/fetal complications.
Alere Interventions: • Multi-interventional approach including dieticians, perinatal nurse clinicians, high risk obstetrical pharmacist consultation, psychosocial assessment, in home nursing support, and delivery of antiemetic-medication through a subcutaneous micro-infusion pump • Daily telephonic assessments by high risk obstetrical nurse • Dietary consultation to address maternal nutritional needs • Limited IV hydration to stabilize fluid balance and alleviate overall symptoms
Benefits of Alere Interventions: • 78% increase in weight gain of mother or stabilization • 89% reduction in nausea and vomiting • Hospital admissions for such patients: 65.4% reduced to 3.3% • Reduced costs of ED visits, physician office visits, maternal hospitalizations, NICU care, future health and societal costs.

Program: Diabetes in Pregnancy
Health Condition(s) Addressed: • Gestational diabetes (pre-existing or pregnancy-related maternal diabetes)
Health Risks of Condition: • Maternal complications from out-of-control blood sugar levels • Birth complications as a result of Macrosomia (large baby) including increased risk of shoulder dystocia/injury during birtth. • Elevated blood sugar levels of baby post delivery • Maternal/infant morbidity and mortality associated with uncontrolled blood sugar management
Costs of Conditions, Unaddressed: • 3X more likely to require pre- and post-natal hospitalizations of mother and/or newborn than in non-diabetic population; hospitalization cost of $4,000-$4,300 in 2010 prices (5 years ago) • Hospital admissions of this type increased 72%-75% in last decade studied
Alere Interventions: • Intensive programs for both insulin-requiring and non-insulin-requiring mothers, to ensure compliance with the care plan approved by patient's physician • Initial in-home education/counseling regarding nature of diabetes in pregnancy, glucose monitoring, meal planning and physical activity. • Ongoing telephonic management of patients to address blood sugar trends. • Medication management with daily assessment of blood glucose and ketones through telephonic reporting • All needed insulin and supplies are delivered to home • 24/7 OB RN & Certified Diabetic Educators (CDE) access via telephone • When using insulin pump management, ongoing monitoring of patient data and remote adjustments of medication
Benefits of Alere Interventions: • Alere can save an average of $13,000 per pregnancy in total costs of care for mother and neonate • NICU admissions alone can be reduced up to 25% • 2010 Study of pre-gestational diabetes patients (insulin-dependent) showed: --increase in patient compliance from 8.4% on Day 1 to 69.3% on Day 4 --27% reduction in out-of-target blood glucose levels --60% improvement in compliance with blood glucose testing protocols --47% reduction in number of Type 2 diabetes patients with A1C indicator > 6% • 2010 Outcomes Study of Alere Diabetes Program vs. conventional management in the physician's office showed the following improvements in birth complications in diabetic mothers:

--Reduction in macrosomia (large birth weight) from 13.6% to 9.6%
--Reduction in hyperbilirubinemia (increased bilirubin levels) from 17.5% to 9.2%
--Reduction in hypoglycemia from 20% to 5.6%
--Reduction respiratory complications from 6.2% to 4.2%
--Reduction in shoulder dystocia from 1.4% to 0.1% (can lead to permanent nerve damage and long term disability)
--Reduction in NICU admissions from 25% to 8%

Notes, edited and paraphrased from sources indicated:

Fetal Macrosomia: In a newborn, the risks associated with fetal macrosomia increase greatly when birth weight is more than 9 pounds 15 ounces. Fetal macrosomia can complicate vaginal delivery, putting the baby at risk of injury during birth, and at increased risk of health problems after birth. [Mayo Clinic]

Hyperbilirubinemia: Excessive bilirubin in the blood, which can produce *jaundice*, a yellow tint *to a newborn's skin and the white part of the eyes. In newborns, in rare cases, if bilirubin levels stay high and are not treated, this condition can cause brain damage resulting in serious lifelong problems. [Tabor's Cyclopedic Medical Dictionary & WebMD]*

Hypoglycemia: A deficiency of blood sugar--the most common metabolic problem in newborns. The most common symptoms are jitteriness, cyanosis (blue coloring), apnea (stopping breathing), hypothermia (low body temperature), poor body tone, poor feeding, lethargy, and seizures. Major long-term consequences can include neurologic damage resulting in mental retardation, recurrent seizure activity, developmental delay, and personality disorders. Some evidence suggests that severe hypoglycemia may impair cardiovascular function. [Tabor's & Stanford Children's Health]

Dystocia: Difficult labor. It may result from either the size of the fetus or the small size of the pelvic outlet. Shoulder dystocia occurs when a baby's head is delivered but his shoulders get stuck inside the mother's body. This creates risks for both mother and baby. The underlying condition, if not treatable in advance of delivery, can make delivery by cesarean section necessary. [March of Dimes]

Program: Managing Hypertension Disorders in Pregnancy
Health Condition(s) Addressed: • Hypertension • Preeclampsia (formerly called "toxemia") leading to eclampsia, a serious condition that could result in maternal and fetal morbidity and mortality
Health Risks of Condition: • Hypertension late in pregnancy can require the need for induced premature delivery of infant, potentially leading to increased neonatal cost and infant morbidity/mortality • High (25%) risk of preeclampsia with hypertension. Mothers with preeclampsia may experience rapid weight gain, abdominal pain, headaches, changes in reflexes, dizziness, vomiting, nausea, and vision changes. Uncontrolled PIH can lead to development of eclampsia/seizures.
Costs of Conditions, Unaddressed: • Longer hospital stays for mother both pre and post-partum, resulting in higher total costs of care • NICU stays for infants due to prematurity and other complications as a result of mother's condition • Damage to organs of mother and fetus (preeclampsia)
Alere Interventions: • Initial in-home assessment and education pertaining to Pregnancy Induced Hypertension (PIH), education on use of equipment for daily blood pressure monitoring. • Intensive surveillance and support for patients at high risk of, or with, mild preeclampsia in the outpatient setting. • Identifies changes in condition that may indicate progression of hypertension with the need to re-admit to the hospital. • Daily weight, measurement of protein in urine, patient assessment/education • Twice daily fetal kick count • 24/7 OB nurse availability for telemetric monitoring of blood pressures and patient assessments as needed.
Benefits of Alere Interventions: • 2006 Study found that Alere reduced costs associated with hypertensive disorders--shortening hospital stays by 1.2 days and reducing patient costs from $10,327 to $4,888.

Program: Coagulation Disorders
Health Condition(s) Addressed: • Deep vein thrombosis (DVT), Factor V Leiden, Antiphospholipid Antibodies, Pulmonary Embolus, Prothrombin Mutations, Von Willebrand Disease
Health Risks of Condition: • Can cause first trimester spontaneous abortions • Untreated clotting disorders can result in deep vein thrombosis and pulmonary embolism that could result in maternal death.
Costs of Conditions, Unaddressed: • NA
Alere Interventions: • Obstetrical Pharmacist in Regional Clinical Center manages and monitors dosing of heparin to specific patient parameters • OB RN provides and reinforces patient education regarding coagulation disorders and their various complications • Provides 24/7 opportunity for patient to triage with OB RN
Benefits of Alere Interventions: • Reduces risks of maternal morbidity & mortality

Accessibility

Tennessee does not compile clinically detailed data on home health agency patients. But what is reported publicly in the Joint Annual Reports suggests that for high-risk pregnant women, there may be accessibility issues--especially for TennCare enrollees. Alere feels that one reason for this is that many home care companies are reluctant to serve them for fear of lawsuits and liabilities when pregnancies result in harm to the mother and/or the baby. Such a fear is not irrational, if the agency is not deeply experienced with this type of care.

Section C(I)5 (Utilization) later in the application contains detailed tables on the utilization of agencies in this area. In that section, Table Nine-B ranks area agencies by their percent of gross charges to TennCare patients; and Table Ten-C ranks them by the percentage of their services to women of childbearing age.

The first issue raised by the data is whether pregnant women in or out of TennCare in this service area have sufficient access to these agencies when high-risk situations develop. The JAR's do not provide data on home care patients ages 15-44; but they do provide data on patients ages 18-64--a range that covered all of Alere/Hamilton's pregnant patients in 2014. Although a gender breakdown of patients 18-64 years of age is not provided in the JAR's, it is reasonable to apply a 50% assumption to generally estimate the number of female patients served in that age cohort. Using that assumption, Table Ten-C in Section C(I)5 shows that in 2014 the 5,550 service area women in this age bracket who received home care for any condition totaled only 11.7% of the 47,598 patients served. Agencies' service levels to these women varied between 0% and 23% (excluding one agency which served only 2 area patients in total). That in itself demonstrates the great variation of access that younger women have to these agencies. The table shows that 46 (93.8%) of the 49 licensed agencies had 20% or less of their area patients in this gender age group. Alere feels that a major reason for this low female service percentage at so many agencies is that they do not offer the specialized services required to serve women whose pregnancies present serious health challenges.

The second issue is that the TennCare table suggests that there is a broad lack of TennCare access to most authorized agencies in the proposed area. Approximately 20%

of the area's population is enrolled in TennCare. However, 35 of the 49 area home care agencies (71.4%) have a TennCare payor mix of only 0-10% (and 19 have zero TennCare revenues). This cannot be fully explained by reference to the large proportion of Medicare patients served relative to younger adults. In fact, of all 49 area agencies, only 6 match or exceed Alere/Hamilton's TennCare payor mix of 54%--which reflects Alere's 72% TennCare population. These facts suggest that the market needs, and can accommodate, an exceptionally TennCare-accessible provider like Alere, that addresses a very small section of the total population and does not compete for most of its patients with most other home care providers.

Alere is completely accessible to TennCare patients. As explained in the application, Alere does not meet the requirements for a Medicare provider number. This results from the fact that Alere treats young, pregnant women exclusively and does not consistently maintain the minimum average patient census needed to participate in Medicare. The lack of a Medicare provider number, however, does not limit Alere's ability to work with the TennCare MCOs. No exemption or waiver from TennCare was necessary for Alere because the TennCare regulations requiring participation in Medicare in order to obtain reimbursement from TennCare do not apply to Alere.

Unlike all (or virtually all) other home health providers in Tennessee, Alere is not paid using either the TennCare or Medicare fee schedules. Indeed, many of the highly specialized services provided by Alere are not covered by either the TennCare or Medicare fee schedules. Nonetheless, the TennCare MCOs want to make these services available to their members due to the demonstrated health benefits and the significant cost savings that Alere's services make possible through sharply reduced maternal and NICU hospitalizations. To accomplish this, the TennCare MCOs independently contract with Alere on a fee-for-service basis using a negotiated fee schedule that is separate and distinct from either the TennCare or Medicare fee schedules. Under this arrangement, the MCOs pay Alere out of their own funds and do not seek reimbursement for Alere's services from TennCare. Simply stated, Alere is not paid with TennCare dollars. Nor do the MCOs submit encounter data regarding Alere's services to TennCare.

To repeat, the MCOs do not pay Alere using the TennCare or Medicare fee schedules and do not seek reimbursement for Alere's services from TennCare. In this

manner, TennCare enrollees are able to receive Alere's assistance in any county for which Alere is licensed.

A third point to note is that the low percentage of pre-Medicare adult women in the area's home health caseloads indicates that Alere's entry into these counties will not adversely impact the financial viability of existing providers as a group.

In 2014, these 49 agencies served 47,598 area patients. An estimated 11,099 were probably adult women 18-64 years of age. Alere/Hamilton projects serving only 94 service area women annually in this area. Alere believes that many of these patients would not otherwise be receiving its type of home care from any existing agency. But even in the implausible event that all 94 would be taken from existing agency caseloads, that impact would equate to *less than two-tenths of one percent* of all agencies' combined area patients in 2014. This could not reasonably be viewed as a significant impact, from an areawide planning perspective.

Support from Referral Sources

When Alere/Hamilton was granted CON approval in 1998 to expand from a home medical equipment provider to a home health agency for high-risk pregnant women, physicians and insurors wrote strong letters of support for Alere, citing its high quality, high dependability, and the area's need for Alere's services. Alere is currently requesting letters of support from physicians and insurers whose patients in the proposed service area have these home care needs. Support letters received as of the time of this filing are in the "Letters of Support" section in the Attachments to the application. They include UT Medical Center's OB/GYN Resident Clinic, BlueCare Tennessee, and Amerigroup.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

Not applicable.

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF $2.0 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

1. For fixed site major medical equipment (not replacing existing equipment):
- **a. Describe the new equipment, including:**
  1. **Total Cost (As defined by Agency Rule);**
  2. **Expected Useful Life;**
  3. **List of clinical applications to be provided; and**
  4. **Documentation of FDA approval.**
- **b. Provide current and proposed schedule of operations.**

2. For mobile major medical equipment:
- **a. List all sites that will be served;**
- **b. Provide current and/or proposed schedule of operations;**
- **c. Provide the lease or contract cost;**
- **d. Provide the fair market value of the equipment; and**
- **e. List the owner for the equipment.**

3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable. The project contains no major medical equipment.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:
1. **SIZE OF SITE (IN ACRES);**
2. **LOCATION OF STRUCTURE ON THE SITE;**
3. **LOCATION OF THE PROPOSED CONSTRUCTION; AND**
4. **NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.**

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

A site plan is not applicable. This application requests additional counties for the service area of an existing home health agency.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

For home care, the site of service is the patient's home. The sites for this project will be in twenty-three proposed East Tennessee counties. Alere/Hamilton will assure accessibility to care by employing OB RN's who reside in, or within reasonable drive times of, these proposed counties.

Table Two on the following page shows the principal cities in each proposed county, and identifies one or more *alternative* counties that are accessible to each proposed county. Alere field staff may be recruited in either the proposed county or the listed alternative accessible counties.

Table Three on the second following page shows drive times from principal cities in the *alternative accessible* counties, to principal cities in the proposed counties. (Drive times between points within the proposed counties themselves are not included because good access can be assumed within any one county.)

Alere's staffing chart in a later section of this application projects only a few additional nursing FTE's to care for a small annual patient population. The staffing chart projects the total cumulative FTE's that will be used, while also noting the total number of individual nurses who will be under contract and available when called upon. The OB RN pool will be structured to ensure backup OB RN availability for the times when the OB RN closest to a patient's residence becomes temporarily unavailable.

Table Two: Alere Field Staff Accessibility to Proposed Service Area		
Proposed Counties In Which Field Staff Exist* or May be Recruited		**Alternative Accessible Counties Where Field Staff Exist or May be Recruited**
County	**Principal City**	**Counties**
Anderson	Oak Ridge	Knox*, Campbell
Blount*	Maryville	Knox*
Campbell*	LaFollette	Knox*
Carter	Elizabethton	Washington
Claiborne	Tazewell	Campbell*
Cocke	Newport	Knox*, Greene
Grainger	Rutledge	Greene
Greene	Greeneville	Washington
Hamblen	Morristown	Greene
Hancock	Sneedville	Greene
Hawkins	Rogersville	Greene
Jefferson	Jefferson City	Greene
Johnson	Mountain City	Washington
Knox*	Knoxville	Blount*
Loudon	Loudon	Knox*, McMinn, Blount*
Morgan	Wartburg	Campbell*, Cumberland
Roane	Rockwood	Knox*, McMinn, Cumberland
Scott	Oneida	Campbell*
Sevier	Sevierville	Knox*, Blount*
Sullivan	Kingsport	Washington
Unicoi	Erwin	Washington, Greene
Union	Maynardville	Knox*, Campbell*
Washington	Johnson City	Washington, Greene

Source: Alere/Hamilton management.

Note: Alere/Hamilton may recruit field staff residing in the proposed service area counties (first column in table) and/or field staff residing in accessible nearby counties (third column). Asterisks denote counties where staff are already identified as available to Alere from past work experience.

The accessibility in drive time between potential staff locations and the principal city in each proposed county is shown in the following table.

Table Three: Mileage and Drive Times Between Alere Field Staff and Major Communities in the 22-County Primary Service Area			
Principal Cities in Proposed New Service Area Counties	**Alternative Accessible Cities Where Field Staff Already Exist or May be Recruited**	**Distance in Miles**	**Drive Time in Minutes**
Oak Ridge (Anderson)	Knoxville (Knox)	28.4	36 min.
Maryville (Blount)	Knoxville (Knox)	17.8	26 min.
LaFollette (Campbell)	Knoxville (Knox)	38.9	43 min.
Elizabethton (Carter)	Johnson City (Washington)	9.6	20 min.
Tazewell (Claiborne)	LaFollette (Campbell)	39.4	43 min.
Newport (Cocke)	Greeneville (Greene)	25.4	34 min.
Rutledge (Grainger)	Greeneville (Greene)	33.7	40 min.
Greeneville (Greene)	Johnson City (Washington)	31.4	49 min.
Morristown (Hamblen)	Greeneville (Greene)	30.2	38 min.
Sneedville (Hancock)	Greeneville (Greene)	60.8	74 min.
Rogersville (Hawkins)	Greeneville (Greene)	30.1	41 min
Jefferson City (Jefferson)	Greeneville (Greene)	42.2	52 min.
Mountain City (Johnson)	Johnson City (Washington)	41.8	62 min.
Knoxville (Knox)	Maryville (Blount)	17.6	25 min.
Loudon (Loudon)	Knoxville (Knox)	38.4	36 min.
Wartburg (Morgan)	Crossville (Cumberland)	34.8	49 min.
Rockwood (Roane)	Knoxville (Knox)	47.5	60 min.
Oneida (Scott)	LaFollette (Campbell)	38.5	49 min.
Sevierville (Sevier)	Knoxville (Knox)	24.7	38 min.
Kingsport (Sullivan)	Johnson City (Washington)	25.2	29 min.
Erwin (Unicoi)	Johnson City (Washington)	15.4	18 min.
Maynardville (Union)	LaFollette (Campbell)	28.3	41 min.
Johnson City (Washington)	Greeneville (Greene)	31.6	51 min.

Source: Google Maps, November 2015

Note: Alere/Hamilton may recruit field staff within the proposed service area counties (first column in table) or, as an alternative, within an accessible nearby county (second column).

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY

1. **EXISTING SERVICE AREA (BY COUNTY);**
2. **PROPOSED SERVICE AREA (BY COUNTY);**
3. **A PARENT OR PRIMARY SERVICE PROVIDER;**
4. **EXISTING BRANCHES AND/OR SUB-UNITS; AND**
5. **PROPOSED BRANCHES AND/OR SUBUNITS.**

Not applicable. The application is not for a home care organization.

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.

A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

Guidelines for Growth 2000: Project-Specific Guidelines
Home Health Services

1. The need for home health agencies/services shall be determined on a county by county basis.
2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services that county. The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.
3. Using recognized population sources, projections for four years into the future will be used.
4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

This projection is now done by the Tennessee Department of Health (TDH). The most current version is a 2014-2019 projection of need, by county. The TDH projections for the proposed service area are attached on the following page. None of these 23 counties is projected to have an unmet need for additional home healthcare services.

However, that projection is not relevant to this project. The projection methodology is for all types of home health needs and it uses a 1.5% planning factor for an entire county population. By contrast, this Alere project deals with only the female population of childbearing age, and within that group only the high-risk pregnancies.

Joint Annual Report of Home Health Agencies - 2014 Final*
Comparison of Population Based Need Projection vs. Actual Utilization (2019 vs. 2014)**

Service Area	Agencies Licensed to Serve	Agencies Report Serving	Total Patients Served	Estimated 2014 Pop.	Use Rate	Projected 2019 Pop.	Projected Capacity	Projected Need (.015 x 2019 Pop.)	Need or (Surplus) for 2019
Anderson	20	20	2,618	76,881	0.0340526268	78,731	2,681	1,181	(1,500)
Blount	17	18	2,274	129,901	0.0175056389	138,116	2,418	2,072	(346)
Campbell	18	19	1,492	41,245	0.0361740817	41,721	1,509	626	(883)
Carter	8	10	1,960	57,945	0.0338251790	58,328	1,973	875	(1,098)
Claiborne	18	18	1,728	33,282	0.0519199567	34,496	1,791	517	(1,274)
Cocke	16	15	1,280	36,578	0.0349937121	37,510	1,313	563	(750)
Grainger	16	17	798	23,500	0.0339574468	24,407	829	366	(463)
Greene	16	17	2,300	71,346	0.0322372663	74,149	2,390	1,112	(1,278)
Hamblen	17	17	2,763	64,435	0.0428804221	66,616	2,857	999	(1,857)
Hancock	10	10	650	6,910	0.0940665702	6,996	658	105	(553)
Hawkins	17	18	2,028	58,183	0.0348555420	59,553	2,076	893	(1,182)
Jefferson	16	17	1,537	54,322	0.0282942454	57,733	1,634	866	(768)
Johnson	6	6	848	18,628	0.0455228688	19,032	866	285	(581)
Knox	22	23	8,802	454,895	0.0193495202	483,425	9,354	7,251	(2,103)
Loudon	23	23	1,606	52,378	0.0306617282	57,017	1,748	855	(893)
Morgan	19	18	561	22,934	0.0244614982	24,071	589	361	(228)
Roane	22	22	2,215	55,194	0.0401311737	56,152	2,253	842	(1,411)
Scott	16	15	963	22,674	0.0424715533	23,145	983	347	(636)
Sevier	17	17	1,956	97,427	0.0200765701	106,657	2,141	1,600	(541)
Sullivan	11	14	5,229	158,366	0.0330184509	159,584	5,269	2,394	(2,875)
Unicoi	9	9	516	18,685	0.0276157345	19,082	527	286	(241)
Union	15	15	418	19,662	0.0212592819	20,228	430	303	(127)
Washington	13	14	3,861	130,206	0.0296530114	139,160	4,127	2,087	(2,039)
Service Area		**372**	**48,403**	**1,705,577**		**1,785,909**	**50,416**	**26,786**	**(23,627)**

*Most recent year of Joint Annual Report data for Home Health Agencies
Data is projected four years from the year the Home Health data was **finalized, not the actual year of Home Health data.

Population Data Source: The University of Tennessee Center for Business and Economic Research (UTCBER) Projection Data Files, reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment.

Note: Population data will not match the UTCBER data exactly due to rounding.

The State Health Plan and the Guidelines for Growth appropriately focus on home health needs in general, for an entire population; but this project should not be reviewed only under an irrelevant criterion. Other criteria in the Guidelines recognize the need to give weight to local physician expressions of need and to types of care that are not otherwise available to the entire service area.

5. Documentation from referral sources:

a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

Please see the "Letters of Support" Attachment to this application. After submittal of this application, the applicant will seek to provide additional letters of referral support from physicians and nurses who make home health referrals, as well as from insurer organizations.

b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

Table Four below provides Alere's estimate of its Year One case composition from a clinical perspective.

Table Four: Estimated Year One Composition of Cases By Clinical Need
Alere Women's and Children's Health / Hamilton County

Type of Patient	Number of Patients
Preterm Education, Nursing Surveillance, & 17P Administration	43
Nausea and Vomiting in Pregnance	7
Diabetes in Pregnancy	6
Hypertension Disorders in Pregnancy	3
Coagulation Disorders in Pregnancy	1
Total Projected Patients, Year One	60 (100%)

Source: Alere management.

c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

These are being gathered by the applicant for submission under separate cover.

d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

This information is discussed above in Section B.II.C. The applicant is a national leader in the provision of comprehensive and specialized care to high-risk pregnant women and their fetuses/newborns. The expertise, continuity, and effectiveness of Alere's prenatal maternal care programs are not equaled by any other provider. There is no other provider now in the service area with such a focused or experienced care program for this very vulnerable patient population. Few of the currently authorized providers are as accessible to high-risk pregnant patients--particularly TennCare patients--as is Alere.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

a. The average cost per visit by service category shall be listed.

b. The average cost per patient based upon the projected number of visits per patients shall be listed.

Table Five-A below provides information on the average costs and charges by hours and visits, as reported by a random sampling of home care agencies who now operate in this service area. However, they do not allow a meaningful comparison to Alere's cost and charge structure. Alere negotiates with all its insurers, including Medicaid MCO's, a comprehensive "bundled" rate that covers all Alere services. Those negotiated rates vary; they are proprietary and confidential. Alere does not have separate costs, or charges, that are identifiable for "hours" or "visits". The Alere information in Table Five-B below is Alere/Hamilton's calculated average gross charge per patient, derived from the Projected Data Chart of the applicant. Alere's only field staff are OB RN's and their services are skilled nursing under the JAR format.

Table Five-A: 2014 Costs & Charges (Gross Revenues) of Selected Agencies in the Service Area For All Disciplines (Except Cost/Visit Data)				
Agency*	Cost Per Skilled Nursing Visit	Gross Revenue Per Unduplicated Patient	Gross Revenue Per Visit	Gross Revenue Per Hour
1	$111	$2,563	$151.63	NA
2	$110	$2,965	$151.06	NA
3	$91	$3,115	$213.84	$65.24
4	$153	$5,900	$150.55	NA
5	NA	$94,022	$772.64	NA
6	$125	$1,655	$37.80	NA
7	$58	$111,470	$19,031.47	$35.10
8	$145	$4,349	$233.41	NA
9	$89	$14,983	$633.24	$39.88
10	$106	$8,579	$247.17	$109.71
11	NA	$16,584	NA	$22.79
12	$84	$4,831	$98.41	NA
13	$161	$4,385	$152.84	NA
Alere/ Hamilton Year One	NR	$6,811	NR	NR

Source: 2014 Joint Annual Reports; and Alere management.

*Key to Agencies:

1. Advanced Home Care, Inc., Sullivan County
2. Advanced Home Care, Inc., Greene County
3. Careall Home Service, Knox County
4. Clinch River Home Health, Anderson County
5. Elk Valley Health Services, Inc., Davidson County
6. Hometown Health Care, Inc., Hawkins County
7. Maxim Healthcare Services, Inc., Knox County
8. Medical Center Homecare of Kingsport, Washington County
9. ProCare Home Health Services, Greene County
10. Quality Home Care, Fentress County
11. Quality Private Duty Care, Fentress County
12. Sunbelt Homecare, Campbell County
13. Sweetwater Hospital Home Health, Monroe County

Table Five-B: Alere/Hamilton's Average Charges (Gross Revenue) Per Unduplicated Patient (All Counties)		
	CY 2014	Year Two
Total Gross Revenue	$379,702	$1,014,839
Patients	51	149
Total Gross Revenue Per Patient	$7,445	$6,811

Source: Alere management.

The Framework for Tennessee's Comprehensive State Health Plan
Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan. After each principle, the applicant states how this CON application supports the principle, if applicable.

1. Healthy Lives
The purpose of the State Health Plan is to improve the health of Tennesseans.
Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

The purpose of this project is to provide specialized health services to high-risk pregnant women, under the medical direction of patient physicians. The coordinated efforts of Alere's specialized OB RN's with the patients' physicians will reduce the suffering and costs of maternal and fetal/newborn health problems in the project service area.

2. Access to Care
Every citizen should have reasonable access to health care.
Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

The project will increase the access of service area women, including TennCare enrollees, to cost-effective specialized services that enhance the health of mothers and babies and reduce the costs of their care during high-risk pregnancies.

3. Economic Efficiencies
The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. **The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.**

The project is intended to provide broader accessibility to Alere's cost-effective and health-enhancing programs of maternal/fetal home care. The project will provide leadership in setting standards of care for pregnant women in the service area. It will improve efficiency of care by reducing the need for distressed pregnant women to seek

care in expensive emergency rooms or hospital beds, when that can be avoided by skillful home care incorporating 24/7 telephonic support and constant monitoring by skilled clinicians.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. **Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.**

The applicant is licensed in Tennessee and is fully Joint-Commission accredited. Alere has earned the Joint Commission's Gold Seal ranking for the excellence of its programs.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. **The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.**

The project is a home care service, not a facility; as such it is not involved in the rotational training of health professionals.

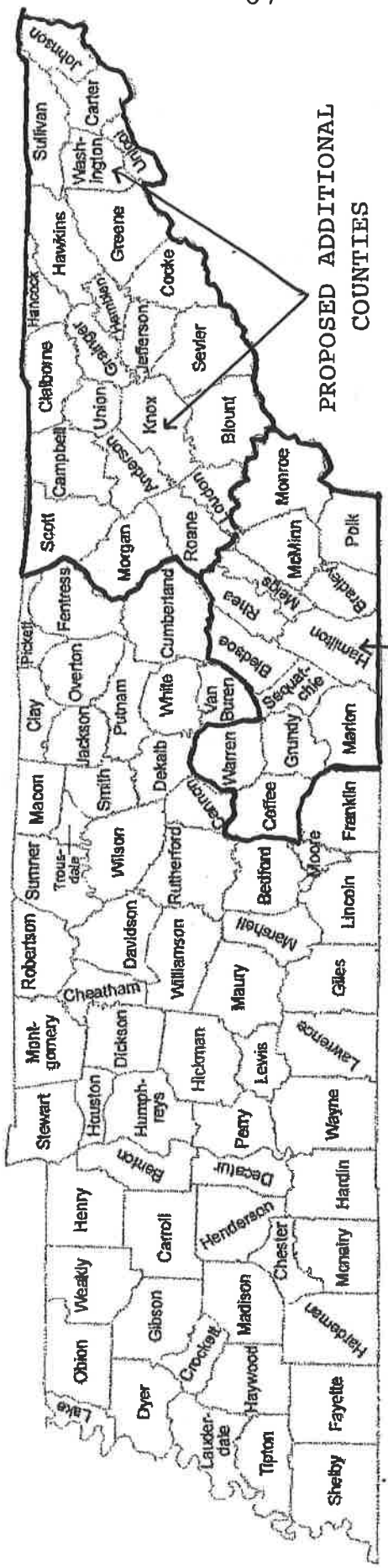
C(I).2. DESCRIBE THE RELATIONSHIP OF THIS PROJECT TO THE APPLICANT'S LONG-RANGE DEVELOPMENT PLANS, IF ANY.

Alere hopes to expand into all Tennessee counties, including the least populous and lowest-income counties. This application, if successful, will authorize Alere to serve all of the Eastern Grand Division of Tennessee.

C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

The proposed service area consists of 23 East and Upper East Tennessee counties. They are Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington Counties.

A service area map showing the location of the service within the State of Tennessee is provided after this page, and also in Attachment C, Need--3 at the back of the application.



ALERE WOMEN'S AND CHILDREN'S HEALTH / HAMILTON COUNTY
CURRENT AND PROPOSED SERVICE AREA

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

Please see Table Six following this page.

The service area population is more aged than the State, having a median age of 41.7 years compared to the State's 38.0 years.

The service area's population of women of childbearing age (15-44) is 18.3% of its total population. By 2019, this gender age cohort is projected to increase by 1.1%, although its percentage of the total population in that period will decrease slightly from 18.3% to 17.8%.

The service area counties' median household income is approximately 16% lower than the Tennessee State average: $37,140 compared to $44,298. The service area's TennCare enrollment is 20% of total population, compared to 22% Statewide. Its percent of population living below the poverty line is the same as the Statewide average of 17.6%.

Table Six: Demographic Characteristics of Project Service Area
Alere Hamilton County--Proposed Additional Counties
2015-2019

Primary Service Area	Demographic Characteristics													
County	Median Age 2010 Census	Female 15-44 Population 2015	Female 15-44 Population 2019	Female 15-44 Population % Change 2015 - 2019	Total Population 2015	Total Population 2019	Total Population % Change 2015 - 2019	Female 15-44 Population % of Total Population 2015	Female 15-44 Population % of Total Population 2019	Median Household Income	TennCare Enrollees Sep 2015	Percent of 2015 Population Enrolled in TennCare	Persons Below Poverty Level 2015	Persons Below Poverty Level as % of Population US Census
Anderson	42.6	13,170	13,405	1.8%	76,949	78,123	1.5%	17.1%	17.2%	$43,620	16,325	21.2%	14,005	18.2%
Blount	41.4	23,712	25,162	6.1%	129,973	137,058	5.5%	18.2%	18.4%	$45,991	22,337	17.2%	17,806	13.7%
Campbell	41.7	7,666	7,865	2.6%	41,783	42,792	2.4%	18.3%	18.4%	$31,943	13,311	31.9%	9,944	23.8%
Carter	42.2	10,403	10,262	-1.4%	57,359	57,828	0.8%	18.1%	17.7%	$31,842	13,242	23.1%	13,135	22.9%
Claiborne	41.1	6,174	6,192	0.3%	32,765	33,449	2.1%	18.8%	18.5%	$33,229	9,376	28.6%	7,503	22.9%
Cocke	42.9	6,879	7,569	10.0%	37,207	39,101	5.1%	18.5%	19.4%	$30,573	11,582	31.1%	9,711	26.1%
Grainger	42.1	4,074	4,332	6.3%	23,236	23,850	2.6%	17.5%	18.2%	$32,364	5,994	25.8%	4,740	20.4%
Greene	42.6	12,449	12,789	2.7%	70,520	71,989	2.1%	17.7%	17.8%	$35,545	15,417	21.9%	15,514	22.0%
Hamblen	39.6	11,833	12,343	4.3%	64,438	65,952	2.3%	18.4%	18.7%	$39,596	4,824	7.5%	12,372	19.2%
Hancock	42.9	1,121	1,130	0.8%	6,645	6,663	0.3%	16.9%	17.0%	$23,892	2,359	35.5%	2,047	30.8%
Hawkins	42.1	9,319	8,418	-9.7%	57,741	58,241	0.9%	16.1%	14.5%	$37,357	13,858	24.0%	9,354	16.2%
Jefferson	40.8	10,088	10,717	6.2%	54,482	57,707	5.9%	18.5%	18.6%	$39,745	12,442	22.8%	9,970	18.3%
Johnson	43.3	2,686	2,751	2.4%	18,090	18,175	0.5%	14.8%	15.1%	$29,609	4,529	25.0%	4,776	26.4%
Knox	37.2	92,312	92,763	0.5%	459,124	481,044	4.8%	20.1%	19.3%	$47,694	76,364	16.6%	67,032	14.6%
Loudon	46.0	7,909	7,857	-0.7%	51,495	53,741	4.4%	15.4%	14.6%	$51,074	9,028	17.5%	8,291	16.1%
Morgan	39.8	3,537	3,549	0.3%	21,870	22,076	0.9%	16.2%	16.1%	$37,631	4,808	22.0%	4,549	20.8%
Roane	44.9	8,803	8,714	-1.0%	54,079	54,631	1.0%	16.3%	16.0%	$42,223	11,614	21.5%	8,112	15.0%
Scott	38.1	4,080	4,165	2.1%	21,915	22,021	0.5%	18.6%	18.9%	$28,401	8,028	36.6%	6,202	28.3%
Sevier	40.9	17,369	18,370	5.8%	96,116	101,929	6.0%	18.1%	18.0%	$43,649	19,948	20.8%	13,937	14.5%
Sullivan	43.6	25,310	23,254	-8.1%	159,494	161,707	1.4%	15.9%	14.4%	$39,479	33,190	20.8%	29,187	18.3%
Unicoi	44.9	3,121	3,183	2.0%	18,419	18,558	0.8%	16.9%	17.2%	$32,292	4,111	22.3%	3,997	21.7%
Union	40.1	3,380	3,427	1.4%	19,347	19,677	1.7%	17.5%	17.4%	$34,399	5,120	26.5%	4,566	23.6%
Washington	39.3	26,026	26,520	1.9%	132,599	140,184	5.7%	19.6%	18.9%	$42,075	23,805	18.0%	24,266	18.3%
Primary Serv. Area	41.7	311,421	314,737	1.1%	1,705,646	1,766,496	3.6%	18.3%	17.8%	$37,140	341,612	20.0%	301,016	17.6%
State of Tennessee	38.0	1,306,684	1,337,422	2.4%	6,649,438	6,894,997	3.7%	19.7%	19.4%	$44,298	1,461,025	22.0%	1,170,301	17.6%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts; TennCare Bureau.
PSA data is unweighted average, or total, of county data.

C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

Pregnancy risks have a higher incidence rate among low-income women than among all women of that age group. So financial accessibility to care becomes an important issue for women whose pregnancies put them and their babies at risk. The applicant, Alere/Hamilton County, is completly accessible to low-income TennCare mothers. In 2014, 72% of its Tennessee patients were TennCare enrollees. The Alere agency's 54% TennCare payor mix (2014 JAR) was much higher than the average TennCare payor mix of 23.7% for the 49 home care agencies working in this service area. Thirty-five of them (71.4%) had a 10% or lower TennCare payor mix--and 19 of those 35 had zero TennCare revenues. To put that in perspective, approximately one in five of the area's residents are currently enrolled in TennCare.

Alere will also remedy a common problem among home care agencies, which is a reluctance to serve many (or any) high-risk pregnant patients regardless of patient insurance--due to limited expertise in this highly specialized field and due to the heightened legal liability that can be involved with treating such patients. Due to its exclusive focus on this one type of patient, its years of experience with their special needs, and its excellent history of success in delivering effective care that reduces bad outcomes for mothers and babies at risk, Alere is uniquely positioned to handle these cases. It will vigorously pursue service to this underserved segment of the population, to the benefit not only of patients but also to those who pay the costs of care for their pregnancies and their newborns.

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY....

The applicant has prepared the following tables showing utilization of home care providers that are currently licensed in one or more of the proposed service area counties. Some are provided immediately after this page. Others that are very long, or are "base tables" used in preparing other tables, are in the "Miscellaneous" attachment at the back of the application as noted below.

Tables Seven-A & B: The agencies currently licensed for one or more of this project's proposed service area counties, by State ID (Seven-A) and by agency name (Seven-B).

Table Seven-C ***(See Attachments)***: By State ID number and county--The agencies that are licensed to serve *each* of the 23 project service area counties.

Tables Eight-A & B: Each licensed agency's 2012-2014 patient utilization, 2014 patients served in project service area counties, and licensure data, by State ID (Eight-A) and by Agency Name (Eight-B).

Tables Nine-A, B, & C: Each licensed agency's TennCare payor mix, by State ID (Nine-A), by Agency Name (Nine-B), and by payor mix percentage (Nine-C).

Table Ten-A, B, C, & D: Each licensed agency's dependence on the counties in the project service area, from three perspectives: agency dependence on all patients from those counties; and agency dependence (locally and Statewide) on *women of childbearing age* in those counties. For example, an agency with a large geographic service area may derive 22% of its utilization *within this service area* from the area's women of childbearing age --but at the same time those service area women may amount to only 5% of the agency's total patients Statewide (i.e., in all its authorized counties).

Base Tables 1-2 (***See Attachments***): Provides the agency utilization statistics and county-level utilization data used to compile statistics in the other Tables.

Table Seven-A: HHA's Licensed to Serve in Additional Area Requested by Alere Hamilton County -- BY STATE ID		
Health Statistics ID	**Agency County**	**Agency**
01032	Anderson	Clinch River Home Health
01042	Anderson	Professional Case Management of Tennessee
05012	Blount	Blount Memorial Hospital Home Health Services
06063	Bradley	Home Health Care of East Tennessee, Inc.
07032	Campbell	Sunbelt Homecare
10031	Carter	Amedisys Home Health Care
13022	Claiborne	Amedisys Home Health of Tennessee
13032	Claiborne	Suncrest Home Health (Claiborne Home Health)
15032	Cocke	Smoky Mountain Home Health and Hospice, Inc.
19494	Davidson	Elk Valley Health Services, Inc.
19544	Davidson	Home Care Solutions, Inc. (LHC)
25034	Fentress	Quality Private Duty Care
25044	Fentress	Quality Home Health
30021	Greene	Advanced Home Care, Inc.
30041	Greene	Laughlin Home Health Agency
30051	Greene	Procare Home Health Services
32102	Hamblen	Amedisys Home Health Care
32122	Hamblen	Univ of TN Med Center Home Health Services
32132	Hamblen	Premier Support Services
33103	Hamilton	Amedisys Home Health
34011	Hancock	Hancock County Home Health Agency
37021	Hawkins	Hometown Home Health Care, Inc.
46031	Johnson	Johnson County Home Health
47012	Knox	NHC Homecare
47042	Knox	Gentiva Health Services
47062	Knox	Camellia Home Health of East Tennessee, LLC
47092	Knox	Tennova Home Health (Mercy Home Hlth Svcs)
47132	Knox	Univ of TN Med Center Home Care Svcs - Home Health
47182	Knox	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)
47202	Knox	Amedisys Home Health Care
47222	Knox	East Tennessee Children's Hospital Home Health Care
47232	Knox	CareAll Home Care Services
47372	Knox	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)
47402	Knox	Covenant Homecare
47432	Knox	Maxim Healthcare Services, Inc.
52024	Lincoln	Deaconess Homecare
54043	McMinn	NHC Homecare
62052	Monroe	Intrepid USA Healthcare Services

Table Seven-A: HHA's Licensed to Serve in Additional Area Requested by Alere Hamilton County -- BY STATE ID		
Health Statistics ID	**Agency County**	**Agency**
62062	Monroe	Sweetwater Hospital Home Health
67024	Overton	Amedisys Home Health
75024	Rutherford	NHC Homecare
76032	Scott	Elk Valley Home Health Care Agency, LLC (Deaconess)
82051	Sullivan	Advanced Home Care, Inc.
82061	Sullivan	Gentiva Health Services
90081	Washington	Medical Center Homecare, Kingsport
90091	Washington	Medical Center Homecare Services
90121	Washington	Amedysis Home Health
90131	Washington	NHC Homecare
96030	Other	Professional Home Health Care Agency, Inc. (London, KY)

Source: HSDA Registry, from Department of Health Licensure - 9/12/2014 (Updated 4/7/2015)

Table Seven-B: HHA's Licensed to Serve in Additional Area Requested by Alere Hamilton County --BY NAME		
Health Statistics ID	**Agency County**	**Agency**
30021	Greene	Advanced Home Care, Inc.
82051	Sullivan	Advanced Home Care, Inc.
33103	Hamilton	Amedisys Home Health
67024	Overton	Amedisys Home Health
10031	Carter	Amedisys Home Health Care
32102	Hamblen	Amedisys Home Health Care
47202	Knox	Amedisys Home Health Care
13022	Claiborne	Amedisys Home Health of Tennessee
90121	Washington	Amedysis Home Health
05012	Blount	Blount Memorial Hospital Home Health Services
47062	Knox	Camellia Home Health of East Tennessee, LLC
47232	Knox	CareAll Home Care Services
01032	Anderson	Clinch River Home Health
47402	Knox	Covenant Homecare
52024	Lincoln	Deaconess Homecare
47222	Knox	East Tennessee Children's Hospital Home Health Care
19494	Davidson	Elk Valley Health Services, Inc.
76032	Scott	Elk Valley Home Health Care Agency, LLC (Deaconess)
47042	Knox	Gentiva Health Services
82061	Sullivan	Gentiva Health Services
47182	Knox	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)
34011	Hancock	Hancock County Home Health Agency
19544	Davidson	Home Care Solutions, Inc. (LHC)
06063	Bradley	Home Health Care of East Tennessee, Inc.
37021	Hawkins	Hometown Home Health Care, Inc.
62052	Monroe	Intrepid USA Healthcare Services
46031	Johnson	Johnson County Home Health
30041	Greene	Laughlin Home Health Agency
47432	Knox	Maxim Healthcare Services, Inc.
90091	Washington	Medical Center Homecare Services
90081	Washington	Medical Center Homecare, Kingsport
47012	Knox	NHC Homecare
54043	McMinn	NHC Homecare
75024	Rutherford	NHC Homecare
90131	Washington	NHC Homecare
32132	Hamblen	Premier Support Services
30051	Greene	Procare Home Health Services
01042	Anderson	Professional Case Management of Tennessee
96030	Other	Professional Home Health Care Agency, Inc. (London, KY)
25044	Fentress	Quality Home Health

Table Seven-B: HHA's Licensed to Serve in Additional Area Requested by Alere Hamilton County --BY NAME		
Health Statistics ID	**Agency County**	**Agency**
25034	Fentress	Quality Private Duty Care
15032	Cocke	Smoky Mountain Home Health and Hospice, Inc.
07032	Campbell	Sunbelt Homecare
13032	Claiborne	Suncrest Home Health (Claiborne Home Health)
62062	Monroe	Sweetwater Hospital Home Health
47092	Knox	Tennova Home Health (Mercy Home Hlth Svcs)
47372	Knox	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)
47132	Knox	Univ of TN Med Center Home Care Svcs - Home Health
32122	Hamblen	Univ of TN Med Center Home Health Services

Source: HSDA Registry, from Department of Health Licensure - 9/12/2014 (Updated 4/7/2015)

Table Seven-C: Home Health Agencies Licensed To Serve Alere/Hamilton's Requested Counties (By State ID, within Each County Requested)

Health Statistics ID	Agency County	Agency	Type	Patient County
01032	Anderson	Clinch River Home Health	Home	Anderson
01042	Anderson	Professional Case Management of Tennessee	Home	Anderson
05012	Blount	Blount Memorial Hospital Home Health Services	Home	Anderson
07032	Campbell	Sunbelt Homecare	Home	Anderson
19494	Davidson	Elk Valley Health Services Inc	Home	Anderson
19544	Davidson	Home Care Solutions, Inc	Home	Anderson
25044	Fentress	Quality Home Health	Home	Anderson
32102	Hamblen	Amedisys Home Health Care	Home	Anderson
32132	Hamblen	Premier Support Services, Inc	Home	Anderson
32122	Hamblen	Univ. of TN Med. Ctr Home Health/Hospice Service	Both	Anderson
33103	Hamilton	Amedisys Home Health	Home	Anderson
47202	Knox	Amedisys Home Health Care	Home	Anderson
47062	Knox	Camellia Home Health of East Tennessee	Home	Anderson
47402	Knox	Covenant Homecare	Both	Anderson
47222	Knox	East Tennessee Children's Hospital Home Health	Home	Anderson
47042	Knox	Gentiva Health Services	Home	Anderson
47182	Knox	Gentiva Health Services 2 (Girling Health Care)	Home	Anderson
47432	Knox	Maxim Healthcare Services, Inc	Home	Anderson
47012	Knox	NHC Homecare	Home	Anderson
47092	Knox	Tennova Healthcare Home Health	Home	Anderson
47132	Knox	UTMCK-Home Care Services: Hospice & Home Care	Both	Anderson
62052	Monroe	Intrepid USA Healthcare Services	Home	Anderson
96030	Other	Professional Home Health Care Agency	Home	Anderson
		Anderson County Total Agencies	**23**	
05012	Blount	Blount Memorial Hospital Home Health Services	Home	Blount
19494	Davidson	Elk Valley Health Services Inc	Home	Blount
19544	Davidson	Home Care Solutions, Inc	Home	Blount
25044	Fentress	Quality Home Health	Home	Blount
32132	Hamblen	Premier Support Services, Inc	Home	Blount
32122	Hamblen	Univ. of TN Med. Ctr Home Health/Hospice Service	Both	Blount
33103	Hamilton	Amedisys Home Health	Home	Blount
47202	Knox	Amedisys Home Health Care	Home	Blount
47062	Knox	Camellia Home Health of East Tennessee	Home	Blount
47232	Knox	Careall Home Care Services	Home	Blount
47402	Knox	Covenant Homecare	Both	Blount
47222	Knox	East Tennessee Children's Hospital Home Health	Home	Blount
47042	Knox	Gentiva Health Services	Home	Blount
47182	Knox	Gentiva Health Services 2 (Girling Health Care)	Home	Blount
47432	Knox	Maxim Healthcare Services, Inc	Home	Blount
47012	Knox	NHC Homecare	Home	Blount
47092	Knox	Tennova Healthcare Home Health	Home	Blount
47132	Knox	UTMCK-Home Care Services: Hospice & Home Care	Both	Blount
62052	Monroe	Intrepid USA Healthcare Services	Home	Blount
		Blount County Total Agencies	**19**	
01032	Anderson	Clinch River Home Health	Home	Campbell
01042	Anderson	Professional Case Management of Tennessee	Home	Campbell
05012	Blount	Blount Memorial Hospital Home Health Services	Home	Campbell
07032	Campbell	Sunbelt Homecare	Home	Campbell
13022	Claiborne	Amedisys Home Health of Tennessee	Home	Campbell
13032	Claiborne	Suncrest Home Health & Hospice	Both	Campbell
19494	Davidson	Elk Valley Health Services Inc	Home	Campbell
19544	Davidson	Home Care Solutions, Inc	Home	Campbell
32102	Hamblen	Amedisys Home Health Care	Home	Campbell
32132	Hamblen	Premier Support Services, Inc	Home	Campbell
32122	Hamblen	Univ. of TN Med. Ctr Home Health/Hospice Service	Both	Campbell
47202	Knox	Amedisys Home Health Care	Home	Campbell
47062	Knox	Camellia Home Health of East Tennessee	Home	Campbell
47402	Knox	Covenant Homecare	Both	Campbell
47222	Knox	East Tennessee Children's Hospital Home Health	Home	Campbell
47042	Knox	Gentiva Health Services	Home	Campbell
47182	Knox	Gentiva Health Services 2 (Girling Health Care)	Home	Campbell
47432	Knox	Maxim Healthcare Services, Inc	Home	Campbell
47012	Knox	NHC Homecare	Home	Campbell

Table Eight-A: Patients Served By Home Health Agencies Licensed in Alere Hamilton's Proposed Counties -- BY STATE ID

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2012 JAR Total Patients Served in TN	2013 JAR Total Patients Served in TN	2014 JAR Total Patients Served in TN	2014 Total Patients Served in Alere's Proposed 22-County Service Area
01032	Anderson	Clinch River Home Health	1	10/26/76	468	461	481	481
01042	Anderson	Professional Case Management of Tennessee	620	1/30/08	182	164	173	166
05012	Blount	Blount Memorial Hospital Home Health Services	213	6/6/84	1,308	1,224	1,281	1,192
06063	Bradley	Home Health Care of East Tennessee, Inc.	14	3/14/84	4,755	3,318	2,680	451
07032	Campbell	Sunbelt Homecare	16	8/10/84	260	261	243	243
10031	Carter	Amedisys Home Health Care	23	1/20/84	1,147	1,171	937	935
13022	Claiborne	Amedisys Home Health of Tennessee	25	5/2/84	2,074	1,830	1,547	761
13032	Claiborne	Suncrest Home Health (Claiborne Home Health)	93	9/14/84	581	852	1,008	1,008
15032	Cocke	Smoky Mountain Home Health and Hospice, Inc.	27	11/9/89	1,535	1,296	1,102	1,102
19494	Davidson	Elk Valley Health Services, Inc.	42	7/17/84	245	277	293	69
19544	Davidson	Home Care Solutions, Inc. (LHC)	56	9/7/88	2,080	1,930	1,689	307
25034	Fentress	Quality Private Duty Care	80	10/28/83	703	879	894	189
25044	Fentress	Quality Home Health	287	3/7/84	4,012	3,404	3,591	1,754
30021	Greene	Advanced Home Care, Inc.	86	8/31/83	526	762	817	817
30041	Greene	Laughlin Home Health Agency	88	6/26/84	547	655	737	737
30051	Greene	Procare Home Health Services	87	7/8/82	384	433	522	522
32102	Hamblen	Amedisys Home Health Care	91	12/13/82	3,675	3,896	3,210	3,210
32122	Hamblen	Univ of TN Med Center Home Health Services	153	12/18/84	1,244	1,327	751	751
32132	Hamblen	Premier Support Services	10	5/16/84	900	1,169	1,372	1,372
33103	Hamilton	Amedisys Home Health	113	7/1/81	3,343	2,878	2,564	94
34011	Hancock	Hancock County Home Health Agency	117	7/23/75	323	463	488	488
37021	Hawkins	Hometown Home Health Care, Inc.	320	1/9/95	0	89	94	94
46031	Johnson	Johnson County Home Health	130	6/29/84	396	446	492	492
47012	Knox	NHC Homecare	143	6/10/77	567	613	883	882
47042	Knox	Gentiva Health Services	142	11/28/77	870	779	413	408
47062	Knox	Camellia Home Health of East Tennessee, LLC	144	9/7/78	1,556	1,716	1,732	1,146
47092	Knox	Tennova Home Health (Mercy Home Hlth Svcs)	51	2/29/80	3,188	3,063	3,240	3,240
47132	Knox	Univ of TN Med Center Home Care Svcs - Home Health	156	7/20/83	3,264	3,439	771	746
47182	Knox	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	149	8/15/84	1,031	1,467	1,815	1,768
47202	Knox	Amedisys Home Health Care	150	8/2/84	5,420	5,354	4,391	4,390
47222	Knox	East Tennessee Children's Hospital Home Health Care	1332	9/13/84	559	586	600	581
47232	Knox	CareAll Home Care Services	131	8/21/89	278	510	686	680
47372	Knox	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	148	12/13/84	1	29	72	72
47402	Knox	Covenant Homecare	133	7/14/78	3,946	3,953	4,792	4,652
47432	Knox	Maxim Healthcare Services, Inc.	2	6/20/84	150	159	154	154
52024	Lincoln	Deaconess Homecare	161	2/25/76	704	842	1,294	234
54043	McMinn	NHC Homecare	166	2/13/84	183	239	358	31
62052	Monroe	Intrepid USA Healthcare Services	190	9/10/84	259	358	355	312
62062	Monroe	Sweetwater Hospital Home Health	189	8/20/84	569	613	625	50
67024	Overton	Amedisys Home Health	191	1/17/84	1,277	1,453	949	71
75024	Rutherford	NHC Homecare	208	5/17/76	3,269	3,776	4,180	2
76032	Scott	Elk Valley Home Health Care Agency, LLC (Deaconess)	211	9/20/85	352	394	603	568
82051	Sullivan	Advanced Home Care, Inc.	249	4/9/85	2,583	2,245	2,276	2,276
82061	Sullivan	Gentiva Health Services	251	11/3/83	979	936	612	611
90081	Washington	Medical Center Homecare, Kingsport	269	11/4/83	1,628	1,960	1,846	1,845
90091	Washington	Medical Center Homecare Services	271	5/4/84	3,118	3,503	3,714	3,714
90121	Washington	Amedysis Home Health	273	7/6/84	2,384	1,821	1,460	1,460
90131	Washington	NHC Homecare	267	3/22/78	264	259	465	465
96030	Other	Professional Home Health Care Agency, Inc. (London, KY)	298	9/2/77	9	13	5	5
		TOTALS			69,096	69,265	65,257	47,598

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Eight-B: Patients Served By Home Health Agencies Licensed in Alere Hamilton's Proposed Counties – BY NAME								
Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2012 JAR Total Patients Served in TN	2013 JAR Total Patients Served in TN	2014 JAR Total Patients Served in TN	2014 Total Patients Served in Alere's Proposed 22-County Service Area
30021	Greene	Advanced Home Care, Inc.	86	8/31/83	526	762	817	817
82051	Sullivan	Advanced Home Care, Inc.	249	4/9/85	2,583	2,245	2,276	2,276
33103	Hamilton	Amedisys Home Health	113	7/1/81	3,343	2,878	2,564	94
67024	Overton	Amedisys Home Health	191	1/17/84	1,277	1,453	949	71
10031	Carter	Amedisys Home Health Care	23	1/20/84	1,147	1,171	937	935
32102	Hamblen	Amedisys Home Health Care	91	12/13/82	3,675	3,896	3,210	3,210
47202	Knox	Amedisys Home Health Care	150	8/2/84	5,420	5,354	4,391	4,390
13022	Claiborne	Amedisys Home Health of Tennessee	25	5/2/84	2,074	1,830	1,547	761
90121	Washington	Amedysis Home Health	273	7/6/84	2,384	1,821	1,460	1,460
05012	Blount	Blount Memorial Hospital Home Health Services	213	6/6/84	1,308	1,224	1,281	1,192
47062	Knox	Camellia Home Health of East Tennessee, LLC	144	9/7/78	1,556	1,716	1,732	1,146
47232	Knox	CareAll Home Care Services	131	8/21/89	278	510	686	680
01032	Anderson	Clinch River Home Health	1	10/26/76	468	461	481	481
47402	Knox	Covenant Homecare	133	7/14/78	3,946	3,953	4,792	4,652
52024	Lincoln	Deaconess Homecare	161	2/25/76	704	842	1,294	234
47222	Knox	East Tennessee Children's Hospital Home Health Care	1332	9/13/84	559	586	600	581
19494	Davidson	Elk Valley Health Services, Inc.	42	7/17/84	245	277	293	69
76032	Scott	Elk Valley Home Health Care Agency, LLC (Deaconess)	211	9/20/85	352	394	603	568
47042	Knox	Gentiva Health Services	142	11/28/77	870	779	413	408
82061	Sullivan	Gentiva Health Services	251	11/3/83	979	936	612	611
47182	Knox	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	149	8/15/84	1,031	1,467	1,815	1,768
34011	Hancock	Hancock County Home Health Agency	117	7/23/75	323	463	488	488
19544	Davidson	Home Care Solutions, Inc. (LHC)	56	9/7/88	2,080	1,930	1,689	307
06063	Bradley	Home Health Care of East Tennessee, Inc.	14	3/14/84	4,755	3,318	2,680	451
37021	Hawkins	Hometown Home Health Care, Inc.	320	1/9/95	0	89	94	94
62052	Monroe	Intrepid USA Healthcare Services	190	9/10/84	259	358	355	312
46031	Johnson	Johnson County Home Health	130	6/29/84	396	446	492	492
30041	Greene	Laughlin Home Health Agency	88	6/26/84	547	655	737	737
47432	Knox	Maxim Healthcare Services, Inc.	2	6/20/84	150	159	154	154
90091	Washington	Medical Center Homecare Services	271	5/4/84	3,118	3,503	3,714	3,714
90081	Washington	Medical Center Homecare, Kingsport	269	11/4/83	1,628	1,960	1,846	1,845
47012	Knox	NHC Homecare	143	6/10/77	567	613	883	882
54043	McMinn	NHC Homecare	166	2/13/84	183	239	358	31
75024	Rutherford	NHC Homecare	208	5/17/76	3,269	3,776	4,180	2
90131	Washington	NHC Homecare	267	3/22/78	264	259	465	465
32132	Hamblen	Premier Support Services	10	5/16/84	900	1,169	1,372	1,372
30051	Greene	Procare Home Health Services	87	7/8/82	384	433	522	522
01042	Anderson	Professional Case Management of Tennessee	620	1/30/08	182	164	173	166
96030	Other	Professional Home Health Care Agency, Inc. (London, KY)	298	9/2/77	9	13	5	5
25044	Fentress	Quality Home Health	287	3/7/84	4,012	3,404	3,591	1,754
25034	Fentress	Quality Private Duty Care	80	10/28/83	703	879	894	189
15032	Cocke	Smoky Mountain Home Health and Hospice, Inc.	27	11/9/89	1,535	1,296	1,102	1,102
07032	Campbell	Sunbelt Homecare	16	8/10/84	260	261	243	243
13032	Claiborne	Suncrest Home Health (Claiborne Home Health)	93	9/14/84	581	852	1,008	1,008
62062	Monroe	Sweetwater Hospital Home Health	189	8/20/84	569	613	625	50
47092	Knox	Tennova Home Health (Mercy Home Hlth Svcs)	51	2/29/80	3,188	3,063	3,240	3,240
47372	Knox	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	148	12/13/84	1	29	72	72
47132	Knox	Univ of TN Med Center Home Care Svcs - Home Health	156	7/20/83	3,264	3,439	771	746
32122	Hamblen	Univ of TN Med Center Home Health Services	153	12/18/84	1,244	1,327	751	751
		TOTALS			69,096	69,265	65,257	47,598

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Nine-A: 2014 TennCare Payor Mix of Home Health Agencies Licensed in Alere Hamilton's Proposed Counties
BY STATE ID

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2014 Total Gross Revenues	2014 TennCare Gross Revenues	2014 TennCare Percent of Total Gross Revenues
01032	Anderson	Clinch River Home Health	1	10/26/76	$2,837,699	$0	0.0%
01042	Anderson	Professional Case Management of Tennessee	620	1/30/08	$18,094,116	$0	0.0%
05012	Blount	Blount Memorial Hospital Home Health Services	213	6/6/84	$4,323,417	$106,573	2.5%
06063	Bradley	Home Health Care of East Tennessee, Inc.	14	3/14/84	$21,171,043	$8,574,927	40.5%
07032	Campbell	Sunbelt Homecare	16	8/10/84	$1,174,041	$124,210	10.6%
10031	Carter	Amedisys Home Health Care	23	1/20/84	$3,647,402	$0	0.0%
13022	Claiborne	Amedisys Home Health of Tennessee	25	5/2/84	$8,108,706	$0	0.0%
13032	Claiborne	Suncrest Home Health (Claiborne Home Health)	93	9/14/84	$3,636,740	$52,199	1.4%
15032	Cocke	Smoky Mountain Home Health and Hospice, Inc.	27	11/9/89	$3,826,986	$29,576	0.8%
19494	Davidson	Elk Valley Health Services, Inc.	42	7/17/84	$27,548,490	$17,659,060	64.1%
19544	Davidson	Home Care Solutions, Inc. (LHC)	56	9/7/88	$10,299,102	$0	0.0%
25034	Fentress	Quality Private Duty Care	80	10/28/83	$14,826,186	$7,965,559	53.7%
25044	Fentress	Quality Home Health	287	3/7/84	$30,808,782	$8,163,845	26.5%
30021	Greene	Advanced Home Care, Inc.	86	8/31/83	$2,422,611	$43,514	1.8%
30041	Greene	Laughlin Home Health Agency	88	6/26/84	$1,797,884	$249,855	13.9%
30051	Greene	Procare Home Health Services	87	7/8/82	$7,821,168	$6,213,949	79.5%
32102	Hamblen	Amedisys Home Health Care	91	12/13/82	$14,128,961	$0	0.0%
32122	Hamblen	Univ of TN Med Center Home Health Services	153	12/18/84	$5,548,831	$37,298	0.7%
32132	Hamblen	Premier Support Services	10	5/16/84	$9,048,752	$4,997,204	55.2%
33103	Hamilton	Amedisys Home Health	113	7/1/81	$9,877,048	$0	0.0%
34011	Hancock	Hancock County Home Health Agency	117	7/23/75	$2,266,557	$1,264,320	55.8%
37021	Hawkins	Hometown Home Health Care, Inc.	320	1/9/95	$155,554	$0	0.0%
46031	Johnson	Johnson County Home Health	130	6/29/84	$1,477,122	$51,486	3.5%
47012	Knox	NHC Homecare	143	6/10/77	$2,887,128	$0	0.0%
47042	Knox	Gentiva Health Services	142	11/28/77	$1,621,097	$0	0.0%
47062	Knox	Camellia Home Health of East Tennessee, LLC	144	9/7/78	$18,455,024	$9,251,718	50.1%
47092	Knox	Tennova Home Health (Mercy Home Hlth Svcs)	51	2/29/80	$8,344,698	$408,358	4.9%
47132	Knox	Univ of TN Med Center Home Care Svcs - Home Health	156	7/20/83	$7,432,326	$268,446	3.6%
47182	Knox	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	149	8/15/84	$9,636,209	$0	0.0%
47202	Knox	Amedisys Home Health Care	150	8/2/84	$16,836,113	$0	0.0%
47222	Knox	East Tennessee Children's Hospital Home Health Care	1332	9/13/84	$16,630,543	$10,610,425	63.8%
47232	Knox	CareAll Home Care Services	131	8/21/89	$2,136,733	$1,057,304	49.5%
47372	Knox	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	148	12/13/84	$2,344,594	$0	0.0%
47402	Knox	Covenant Homecare	133	7/14/78	$14,925,332	$68,948	0.5%
47432	Knox	Maxim Healthcare Services, Inc.	2	6/20/84	$17,166,386	$15,919,725	92.7%
52024	Lincoln	Deaconess Homecare	161	2/25/76	$2,830,159	$465,409	16.4%
54043	McMinn	NHC Homecare	166	2/13/84	$1,253,289	$0	0.0%
62052	Monroe	Intrepid USA Healthcare Services	190	9/10/84	$1,372,205	$451	0.0%
62062	Monroe	Sweetwater Hospital Home Health	189	8/20/84	$2,740,886	$223,863	8.2%
67024	Overton	Amedisys Home Health	191	1/17/84	$4,345,087	$0	0.0%
75024	Rutherford	NHC Homecare	208	5/17/76	$16,844,138	$0	0.0%
76032	Scott	Elk Valley Home Health Care Agency, LLC (Deaconess)	211	9/20/85	$1,877,380	$172,609	9.2%
82051	Sullivan	Advanced Home Care, Inc.	249	4/9/85	$5,833,905	$129,337	2.2%
82061	Sullivan	Gentiva Health Services	251	11/3/83	$2,249,687	$0	0.0%
90081	Washington	Medical Center Homecare, Kingsport	269	11/4/83	$4,617,558	$580,965	12.6%
90091	Washington	Medical Center Homecare Services	271	5/4/84	$8,028,454	$338,391	4.2%
90121	Washington	Amedysis Home Health	273	7/6/84	$5,060,362	$0	0.0%
90131	Washington	NHC Homecare	267	3/22/78	$2,350,881	$0	0.0%
96030	Other	Professional Home Health Care Agency, Inc. (London, KY)	298	9/2/77	$18,154,278	$14,913	0.1%
		TOTALS			$400,821,650	$95,044,437	23.7%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Nine-B: 2014 TennCare Payor Mix of Home Health Agencies Licensed in Alere Hamilton's Proposed Counties BY NAME

Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2014 Total Gross Revenues	2014 TennCare Gross Revenues	2014 TennCare Percent of Total Gross Revenues
82051	Sullivan	Advanced Home Care, Inc.	249	4/9/85	$5,833,905	$129,337	2.2%
30021	Greene	Advanced Home Care, Inc.	86	8/31/83	$2,422,611	$43,514	1.8%
33103	Hamilton	Amedisys Home Health	113	7/1/81	$9,877,048	$0	0.0%
67024	Overton	Amedisys Home Health	191	1/17/84	$4,345,087	$0	0.0%
10031	Carter	Amedisys Home Health Care	23	1/20/84	$3,647,402	$0	0.0%
32102	Hamblen	Amedisys Home Health Care	91	12/13/82	$14,128,961	$0	0.0%
47202	Knox	Amedisys Home Health Care	150	8/2/84	$16,836,113	$0	0.0%
13022	Claiborne	Amedisys Home Health of Tennessee	25	5/2/84	$8,108,706	$0	0.0%
90121	Washington	Amedysis Home Health	273	7/6/84	$5,060,362	$0	0.0%
05012	Blount	Blount Memorial Hospital Home Health Services	213	6/6/84	$4,323,417	$106,573	2.5%
47062	Knox	Camellia Home Health of East Tennessee, LLC	144	9/7/78	$18,455,024	$9,251,718	50.1%
47232	Knox	CareAll Home Care Services	131	8/21/89	$2,136,733	$1,057,304	49.5%
01032	Anderson	Clinch River Home Health	1	10/26/76	$2,837,699	$0	0.0%
47402	Knox	Covenant Homecare	133	7/14/78	$14,925,332	$68,948	0.5%
52024	Lincoln	Deaconess Homecare	161	2/25/76	$2,830,159	$465,409	16.4%
47222	Knox	East Tennessee Children's Hospital Home Health Care	1332	9/13/84	$16,630,543	$10,610,425	63.8%
19494	Davidson	Elk Valley Health Services, Inc.	42	7/17/84	$27,548,490	$17,659,060	64.1%
76032	Scott	Elk Valley Home Health Care Agency, LLC (Deaconess)	211	9/20/85	$1,877,380	$172,609	9.2%
47042	Knox	Gentiva Health Services	142	11/28/77	$1,621,097	$0	0.0%
82061	Sullivan	Gentiva Health Services	251	11/3/83	$2,249,687	$0	0.0%
47182	Knox	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	149	8/15/84	$9,636,209	$0	0.0%
34011	Hancock	Hancock County Home Health Agency	117	7/23/75	$2,266,557	$1,264,320	55.8%
19544	Davidson	Home Care Solutions, Inc. (LHC)	56	9/7/88	$10,299,102	$0	0.0%
06063	Bradley	Home Health Care of East Tennessee, Inc.	14	3/14/84	$21,171,043	$8,574,927	40.5%
37021	Hawkins	Hometown Home Health Care, Inc.	320	1/9/95	$155,554	$0	0.0%
62052	Monroe	Intrepid USA Healthcare Services	190	9/10/84	$1,372,205	$451	0.0%
46031	Johnson	Johnson County Home Health	130	6/29/84	$1,477,122	$51,486	3.5%
30041	Greene	Laughlin Home Health Agency	88	6/26/84	$1,797,884	$249,855	13.9%
47432	Knox	Maxim Healthcare Services, Inc.	2	6/20/84	$17,166,386	$15,919,725	92.7%
90091	Washington	Medical Center Homecare Services	271	5/4/84	$8,028,454	$338,391	4.2%
90081	Washington	Medical Center Homecare, Kingsport	269	11/4/83	$4,617,558	$580,965	12.6%
47012	Knox	NHC Homecare	143	6/10/77	$2,887,128	$0	0.0%
54043	McMinn	NHC Homecare	166	2/13/84	$1,253,289	$0	0.0%
75024	Rutherford	NHC Homecare	208	5/17/76	$16,844,138	$0	0.0%
90131	Washington	NHC Homecare	267	3/22/78	$2,350,881	$0	0.0%
32132	Hamblen	Premier Support Services	10	5/16/84	$9,048,752	$4,997,204	55.2%
30051	Greene	Procare Home Health Services	87	7/8/82	$7,821,168	$6,213,949	79.5%
01042	Anderson	Professional Case Management of Tennessee	620	1/30/08	$18,094,116	$0	0.0%
96030	Other	Professional Home Health Care Agency, Inc. (London, KY)	298	9/2/77	$18,154,278	$14,913	0.1%
25044	Fentress	Quality Home Health	287	3/7/84	$30,808,782	$8,163,845	26.5%
25034	Fentress	Quality Private Duty Care	80	10/28/83	$14,826,186	$7,965,559	53.7%
15032	Cocke	Smoky Mountain Home Health and Hospice, Inc.	27	11/9/89	$3,826,986	$29,576	0.8%
07032	Campbell	Sunbelt Homecare	16	8/10/84	$1,174,041	$124,210	10.6%
13032	Claiborne	Suncrest Home Health (Claiborne Home Health)	93	9/14/84	$3,636,740	$52,199	1.4%
62062	Monroe	Sweetwater Hospital Home Health	189	8/20/84	$2,740,886	$223,863	8.2%
47092	Knox	Tennova Home Health (Mercy Home Hlth Svcs)	51	2/29/80	$8,344,698	$408,358	4.9%
47372	Knox	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	148	12/13/84	$2,344,594	$0	0.0%
47132	Knox	Univ of TN Med Center Home Care Svcs - Home Health	156	7/20/83	$7,432,326	$268,446	3.6%
32122	Hamblen	Univ of TN Med Center Home Health Services	153	12/18/84	$5,548,831	$37,298	0.7%
		TOTALS			$400,821,650	$95,044,437	23.7%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Nine-C: 2014 TennCare Payor Mix of Home Health Agencies Licensed in Alere Hamilton's Proposed Counties BY RANKING							
Health Statistics ID Number	County of Parent Office	Home Health Agency Name	Agency License Number	Date Agency Licensed	2014 Total Gross Revenues	2014 TennCare Gross Revenues	2014 TennCare Percent of Total Gross Revenues
47432	Knox	Maxim Healthcare Services, Inc.	2	6/20/84	$17,166,386	$15,919,725	92.7%
30051	Greene	Procare Home Health Services	87	7/8/82	$7,821,168	$6,213,949	79.5%
19494	Davidson	Elk Valley Health Services, Inc.	42	7/17/84	$27,548,490	$17,659,060	64.1%
47222	Knox	East Tennessee Children's Hospital Home Health Care	1332	9/13/84	$16,630,543	$10,610,425	63.8%
34011	Hancock	Hancock County Home Health Agency	117	7/23/75	$2,266,557	$1,264,320	55.8%
32132	Hamblen	Premier Support Services	10	5/16/84	$9,048,752	$4,997,204	55.2%
25034	Fentress	Quality Private Duty Care	80	10/28/83	$14,826,186	$7,965,559	53.7%
47062	Knox	Camellia Home Health of East Tennessee, LLC	144	9/7/78	$18,455,024	$9,251,718	50.1%
47232	Knox	CareAll Home Care Services	131	8/21/89	$2,136,733	$1,057,304	49.5%
06063	Bradley	Home Health Care of East Tennessee, Inc.	14	3/14/84	$21,171,043	$8,574,927	40.5%
25044	Fentress	Quality Home Health	287	3/7/84	$30,808,782	$8,163,845	26.5%
52024	Lincoln	Deaconess Homecare	161	2/25/76	$2,830,159	$465,409	16.4%
30041	Greene	Laughlin Home Health Agency	88	6/26/84	$1,797,884	$249,855	13.9%
90081	Washington	Medical Center Homecare, Kingsport	269	11/4/83	$4,617,558	$580,965	12.6%
07032	Campbell	Sunbelt Homecare	16	8/10/84	$1,174,041	$124,210	10.6%
76032	Scott	Elk Valley Home Health Care Agency, LLC (Deaconess)	211	9/20/85	$1,877,380	$172,609	9.2%
62062	Monroe	Sweetwater Hospital Home Health	189	8/20/84	$2,740,886	$223,863	8.2%
47092	Knox	Tennova Home Health (Mercy Home Hlth Svcs)	51	2/29/80	$8,344,698	$408,358	4.9%
90091	Washington	Medical Center Homecare Services	271	5/4/84	$8,028,454	$338,391	4.2%
47132	Knox	Univ of TN Med Center Home Care Svcs - Home Health	156	7/20/83	$7,432,326	$268,446	3.6%
46031	Johnson	Johnson County Home Health	130	6/29/84	$1,477,122	$51,486	3.5%
05012	Blount	Blount Memorial Hospital Home Health Services	213	6/6/84	$4,323,417	$106,573	2.5%
82051	Sullivan	Advanced Home Care, Inc.	249	4/9/85	$5,833,905	$129,337	2.2%
30021	Greene	Advanced Home Care, Inc.	86	8/31/83	$2,422,611	$43,514	1.8%
13032	Claiborne	Suncrest Home Health (Claiborne Home Health)	93	9/14/84	$3,636,740	$52,199	1.4%
15032	Cocke	Smoky Mountain Home Health and Hospice, Inc.	27	11/9/89	$3,826,986	$29,576	0.8%
32122	Hamblen	Univ of TN Med Center Home Health Services	153	12/18/84	$5,548,831	$37,298	0.7%
47402	Knox	Covenant Homecare	133	7/14/78	$14,925,332	$68,948	0.5%
96030	Other	Professional Home Health Care Agency, Inc. (London, KY)	298	9/2/77	$18,154,278	$14,913	0.1%
62052	Monroe	Intrepid USA Healthcare Services	190	9/10/84	$1,372,205	$451	0.03%
33103	Hamilton	Amedisys Home Health	113	7/1/81	$9,877,048	$0	0.0%
67024	Overton	Amedisys Home Health	191	1/17/84	$4,345,087	$0	0.0%
10031	Carter	Amedisys Home Health Care	23	1/20/84	$3,647,402	$0	0.0%
32102	Hamblen	Amedisys Home Health Care	91	12/13/82	$14,128,961	$0	0.0%
47202	Knox	Amedisys Home Health Care	150	8/2/84	$16,836,113	$0	0.0%
13022	Claiborne	Amedisys Home Health of Tennessee	25	5/2/84	$8,108,706	$0	0.0%
90121	Washington	Amedysis Home Health	273	7/6/84	$5,060,362	$0	0.0%
01032	Anderson	Clinch River Home Health	1	10/26/76	$2,837,699	$0	0.0%
47042	Knox	Gentiva Health Services	142	11/28/77	$1,621,097	$0	0.0%
82061	Sullivan	Gentiva Health Services	251	11/3/83	$2,249,687	$0	0.0%
47182	Knox	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	149	8/15/84	$9,636,209	$0	0.0%
19544	Davidson	Home Care Solutions, Inc. (LHC)	56	9/7/88	$10,299,102	$0	0.0%
37021	Hawkins	Hometown Home Health Care, Inc.	320	1/9/95	$155,554	$0	0.0%
47012	Knox	NHC Homecare	143	6/10/77	$2,887,128	$0	0.0%
54043	McMinn	NHC Homecare	166	2/13/84	$1,253,289	$0	0.0%
75024	Rutherford	NHC Homecare	208	5/17/76	$16,844,138	$0	0.0%
90131	Washington	NHC Homecare	267	3/22/78	$2,350,881	$0	0.0%
01042	Anderson	Professional Case Management of Tennessee	620	1/30/08	$18,094,116	$0	0.0%
47372	Knox	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	148	12/13/84	$2,344,594	$0	0.0%
		TOTALS			$400,821,650	$95,044,437	23.7%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Ten-A: Agency Dependence on Total and Childbearing-Age Female Patients in Alere Hamilton's Proposed Counties--BY STATE ID

TDH ID	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Alere's Proposed Counties	Agency Female Patients Age 18-64 in Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Its Patients in Proposed Counties	Statewide Dependence: Agency's Female Patients Age 18-64 in Proposed Counties as Percent of All Its Patients Statewide
01032	Clinch River Home Health	481	481	100%	149	75	15.5%	15.5%
01042	Professional Case Management of Tennessee	173	166	96%	19	10	5.7%	5.5%
05012	Blount Memorial Hospital Home Health Services	1,281	1,192	93%	246	123	10.3%	9.6%
06063	Home Health Care of East Tennessee, Inc.	2,680	451	17%	129	65	14.3%	2.4%
07032	Sunbelt Homecare	243	243	100%	76	38	15.6%	15.6%
10031	Amedisys Home Health Care	937	935	100%	232	116	12.4%	12.4%
13022	Amedisys Home Health of Tennessee	1,547	761	49%	113	57	7.4%	3.7%
13032	Suncrest Home Health (Claiborne Home Health)	1,008	1,008	100%	226	113	11.2%	11.2%
15032	Smoky Mountain Home Health and Hospice, Inc.	1,102	1,102	100%	177	89	8.0%	8.0%
19494	Elk Valley Health Services, Inc.	293	69	24%	30	15	21.7%	5.1%
19544	Home Care Solutions, Inc. (LHC)	1,689	307	18%	68	34	11.1%	2.0%
25034	Quality Private Duty Care	894	189	21%	61	31	16.1%	3.4%
25044	Quality Home Health	3,591	1,754	49%	815	408	23.2%	11.3%
30021	Advanced Home Care, Inc.	817	817	100%	294	147	18.0%	18.0%
30041	Laughlin Home Health Agency	737	737	100%	142	71	9.6%	9.6%
30051	Procare Home Health Services	522	522	100%	180	90	17.2%	17.2%
32102	Amedisys Home Health Care	3,210	3,210	100%	451	226	7.0%	7.0%
32122	Univ of TN Med Center Home Health Services	751	751	100%	139	70	9.3%	9.3%
32132	Premier Support Services	1,372	1,372	100%	356	178	13.0%	13.0%
33103	Amedisys Home Health	2,564	94	4%	14	7	7.4%	0.3%
34011	Hancock County Home Health Agency	488	488	100%	136	68	13.9%	13.9%
37021	Hometown Home Health Care, Inc.	94	94	100%	36	18	19.1%	19.1%
46031	Johnson County Home Health	492	492	100%	140	70	14.2%	14.2%
47012	NHC Homecare	883	882	100%	150	75	8.5%	8.5%
47042	Gentiva Health Services	413	408	99%	79	40	9.7%	9.6%
47062	Camellia Home Health of East Tennessee, LLC	1,732	1,146	66%	320	160	14.0%	9.2%
47092	Tennova Home Health (Mercy Home Hlth Svcs)	3,240	3,240	100%	761	381	11.7%	11.7%
47132	Univ of TN Med Center Home Care Svcs - Home Health	771	746	97%	207	104	13.9%	13.4%
47182	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	1,815	1,768	97%	172	86	4.9%	4.7%
47202	Amedisys Home Health Care	4,391	4,390	100%	525	263	6.0%	6.0%
47222	East Tennessee Children's Hospital Home Health Care	600	581	97%	0	0	0.0%	0.0%
47232	CareAll Home Care Services	686	680	99%	218	109	16.0%	15.9%
47372	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	72	72	100%	5	3	3.5%	3.5%
47402	Covenant Homecare	4,792	4,652	97%	1,108	554	11.9%	11.6%
47432	Maxim Healthcare Services, Inc.	154	154	100%	54	27	17.5%	17.5%
52024	Deaconess Homecare	1,294	234	18%	0	0	0.0%	0.0%
54043	NHC Homecare	358	31	9%	5	3	8.1%	0.7%
62052	Intrepid USA Healthcare Services	355	312	88%	32	16	5.1%	4.5%
62062	Sweetwater Hospital Home Health	625	50	8%	17	9	17.0%	1.4%
67024	Amedisys Home Health	949	71	7%	13	7	9.2%	0.7%
75024	NHC Homecare	4,180	2	0%	2	1	50.0%	0.0%
76032	Elk Valley Home Health Care Agency, LLC (Deaconess)	603	568	94%	136	68	12.0%	11.3%
82051	Advanced Home Care, Inc.	2,276	2,276	100%	716	358	15.7%	15.7%
82061	Gentiva Health Services	612	611	100%	93	47	7.6%	7.6%
90081	Medical Center Homecare, Kingsport	1,846	1,845	100%	735	368	19.9%	19.9%
90091	Medical Center Homecare Services	3,714	3,714	100%	1,284	642	17.3%	17.3%
90121	Amedysis Home Health	1,460	1,460	100%	157	79	5.4%	5.4%
90131	NHC Homecare	465	465	100%	80	40	8.6%	8.6%
96030	Professional Home Health Care Agency, Inc.	5	5	100%	1	1	10.0%	10.0%
	TOTALS	65,257	47,598	73%	11,099	5,550	11.7%	8.5%

Sources: 2014 Joint Annual Reports

Table Ten-B: Agency Dependence on Total and Childbearing-Age Female Patients in Alere Hamilton's Proposed Counties--BY NAME

TDH ID	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Alere's Proposed Counties	Agency Female Patients Age 18-64 in Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female 18-64 Patients in Proposed Counties as Percent of All Its Patients in Proposed Counties	Statewide Dependence: Agency's Female 18-64 Patients in Proposed Counties as Percent of All Its Patients Statewide
30021	Advanced Home Care, Inc.	817	817	100%	294	147	18.0%	18.0%
82051	Advanced Home Care, Inc.	2,276	2,276	100%	716	358	15.7%	15.7%
33103	Amedisys Home Health	2,564	94	4%	14	7	7.4%	0.3%
67024	Amedisys Home Health	949	71	7%	13	7	9.2%	0.7%
10031	Amedisys Home Health Care	937	935	100%	232	116	12.4%	12.4%
32102	Amedisys Home Health Care	3,210	3,210	100%	451	226	7.0%	7.0%
47202	Amedisys Home Health Care	4,391	4,390	100%	525	263	6.0%	6.0%
13022	Amedisys Home Health of Tennessee	1,547	761	49%	113	57	7.4%	3.7%
90121	Amedysis Home Health	1,460	1,460	100%	157	79	5.4%	5.4%
05012	Blount Memorial Hospital Home Health Services	1,281	1,192	93%	246	123	10.3%	9.6%
47062	Camellia Home Health of East Tennessee, LLC	1,732	1,146	66%	320	160	14.0%	9.2%
47232	CareAll Home Care Services	686	680	99%	218	109	16.0%	15.9%
01032	Clinch River Home Health	481	481	100%	149	75	15.5%	15.5%
47402	Covenant Homecare	4,792	4,652	97%	1,108	554	11.9%	11.6%
52024	Deaconess Homecare	1,294	234	18%	0	0	0.0%	0.0%
47222	East Tennessee Children's Hospital Home Health Care	600	581	97%	0	0	0.0%	0.0%
19494	Elk Valley Health Services, Inc.	293	69	24%	30	15	21.7%	5.1%
76032	Elk Valley Home Health Care Agency, LLC (Deaconess)	603	568	94%	136	68	12.0%	11.3%
47042	Gentiva Health Services	413	408	99%	79	40	9.7%	9.6%
82061	Gentiva Health Services	612	611	100%	93	47	7.6%	7.6%
47182	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	1,815	1,768	97%	172	86	4.9%	4.7%
34011	Hancock County Home Health Agency	488	488	100%	136	68	13.9%	13.9%
19544	Home Care Solutions, Inc. (LHC)	1,689	307	18%	68	34	11.1%	2.0%
06063	Home Health Care of East Tennessee, Inc.	2,680	451	17%	129	65	14.3%	2.4%
37021	Hometown Home Health Care, Inc.	94	94	100%	36	18	19.1%	19.1%
62052	Intrepid USA Healthcare Services	355	312	88%	32	16	5.1%	4.5%
46031	Johnson County Home Health	492	492	100%	140	70	14.2%	14.2%
30041	Laughlin Home Health Agency	737	737	100%	142	71	9.6%	9.6%
47432	Maxim Healthcare Services, Inc.	154	154	100%	54	27	17.5%	17.5%
90091	Medical Center Homecare Services	3,714	3,714	100%	1,284	642	17.3%	17.3%
90081	Medical Center Homecare, Kingsport	1,846	1,845	100%	735	368	19.9%	19.9%
47012	NHC Homecare	883	882	100%	150	75	8.5%	8.5%
54043	NHC Homecare	358	31	9%	5	3	8.1%	0.7%
75024	NHC Homecare	4,180	2	0%	2	1	50.0%	0.0%
90131	NHC Homecare	465	465	100%	80	40	8.6%	8.6%
32132	Premier Support Services	1,372	1,372	100%	356	178	13.0%	13.0%
30051	Procare Home Health Services	522	522	100%	180	90	17.2%	17.2%
01042	Professional Case Management of Tennessee	173	166	96%	19	10	5.7%	5.5%
96030	Professional Home Health Care Agency, Inc.	5	5	100%	1	1	10.0%	10.0%
25044	Quality Home Health	3,591	1,754	49%	815	408	23.2%	11.3%
25034	Quality Private Duty Care	894	189	21%	61	31	16.1%	3.4%
15032	Smoky Mountain Home Health and Hospice, Inc.	1,102	1,102	100%	177	89	8.0%	8.0%
07032	Sunbelt Homecare	243	243	100%	76	38	15.6%	15.6%
13032	Suncrest Home Health (Claiborne Home Health)	1,008	1,008	100%	226	113	11.2%	11.2%
62062	Sweetwater Hospital Home Health	625	50	8%	17	9	17.0%	1.4%
47092	Tennova Home Health (Mercy Home Hlth Svcs)	3,240	3,240	100%	761	381	11.7%	11.7%
47372	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	72	72	100%	5	3	3.5%	3.5%
47132	Univ of TN Med Center Home Care Svcs - Home Health	771	746	97%	207	104	13.9%	13.4%
32122	Univ of TN Med Center Home Health Services	751	751	100%	139	70	9.3%	9.3%
	TOTALS	65,257	47,598	73%	11,099	5,550	11.7%	8.5%

Sources: 2014 Joint Annual Reports

Table Ten-C: Agency Dependence, WITHIN ALERE PSA, on Total and Childbearing-Age Female Patients in Alere Hamilton's Proposed Counties--BY RANKING

TDH ID	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Alere's Proposed Counties	Agency Female Patients Age 18-64 in Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female 18-64 Patients in Proposed Counties as Percent of All Its Patients in Proposed Counties	Statewide Dependence: Agency's Female 18-64 Patients in Proposed Counties as Percent of All Its Patients Statewide
75024	NHC Homecare	4,180	2	0%	2	1	50.0%	0.0%
25044	Quality Home Health	3,591	1,754	49%	815	408	23.2%	11.3%
19494	Elk Valley Health Services, Inc.	293	69	24%	30	15	21.7%	5.1%
90081	Medical Center Homecare, Kingsport	1,846	1,845	100%	735	368	19.9%	19.9%
37021	Hometown Home Health Care, Inc.	94	94	100%	36	18	19.1%	19.1%
30021	Advanced Home Care, Inc.	817	817	100%	294	147	18.0%	18.0%
47432	Maxim Healthcare Services, Inc.	154	154	100%	54	27	17.5%	17.5%
90091	Medical Center Homecare Services	3,714	3,714	100%	1,284	642	17.3%	17.3%
30051	Procare Home Health Services	522	522	100%	180	90	17.2%	17.2%
62062	Sweetwater Hospital Home Health	625	50	8%	17	9	17.0%	1.4%
25034	Quality Private Duty Care	894	189	21%	61	31	16.1%	3.4%
47232	CareAll Home Care Services	686	680	99%	218	109	16.0%	15.9%
82051	Advanced Home Care, Inc.	2,276	2,276	100%	716	358	15.7%	15.7%
07032	Sunbelt Homecare	243	243	100%	76	38	15.6%	15.6%
01032	Clinch River Home Health	481	481	100%	149	75	15.5%	15.5%
06063	Home Health Care of East Tennessee, Inc.	2,680	451	17%	129	65	14.3%	2.4%
46031	Johnson County Home Health	492	492	100%	140	70	14.2%	14.2%
47062	Camellia Home Health of East Tennessee, LLC	1,732	1,146	66%	320	160	14.0%	9.2%
34011	Hancock County Home Health Agency	488	488	100%	136	68	13.9%	13.9%
47132	Univ of TN Med Center Home Care Svcs - Home Health	771	746	97%	207	104	13.9%	13.4%
32132	Premier Support Services	1,372	1,372	100%	356	178	13.0%	13.0%
10031	Amedisys Home Health Care	937	935	100%	232	116	12.4%	12.4%
76032	Elk Valley Home Health Care Agency, LLC (Deaconess)	603	568	94%	136	68	12.0%	11.3%
47402	Covenant Homecare	4,792	4,652	97%	1,108	554	11.9%	11.6%
47092	Tennova Home Health (Mercy Home Hlth Svcs)	3,240	3,240	100%	761	381	11.7%	11.7%
13032	Suncrest Home Health (Claiborne Home Health)	1,008	1,008	100%	226	113	11.2%	11.2%
19544	Home Care Solutions, Inc. (LHC)	1,689	307	18%	68	34	11.1%	2.0%
05012	Blount Memorial Hospital Home Health Services	1,281	1,192	93%	246	123	10.3%	9.6%
96030	Professional Home Health Care Agency, Inc.	5	5	100%	1	1	10.0%	10.0%
47042	Gentiva Health Services	413	408	99%	79	40	9.7%	9.6%
30041	Laughlin Home Health Agency	737	737	100%	142	71	9.6%	9.6%
32122	Univ of TN Med Center Home Health Services	751	751	100%	139	70	9.3%	9.3%
67024	Amedisys Home Health	949	71	7%	13	7	9.2%	0.7%
90131	NHC Homecare	465	465	100%	80	40	8.6%	8.6%
47012	NHC Homecare	883	882	100%	150	75	8.5%	8.5%
54043	NHC Homecare	358	31	9%	5	3	8.1%	0.7%
15032	Smoky Mountain Home Health and Hospice, Inc.	1,102	1,102	100%	177	89	8.0%	8.0%
82061	Gentiva Health Services	612	611	100%	93	47	7.6%	7.6%
33103	Amedisys Home Health	2,564	94	4%	14	7	7.4%	0.3%
13022	Amedisys Home Health of Tennessee	1,547	761	49%	113	57	7.4%	3.7%
32102	Amedisys Home Health Care	3,210	3,210	100%	451	226	7.0%	7.0%
47202	Amedisys Home Health Care	4,391	4,390	100%	525	263	6.0%	6.0%
01042	Professional Case Management of Tennessee	173	166	96%	19	10	5.7%	5.5%
90121	Amedysis Home Health	1,460	1,460	100%	157	79	5.4%	5.4%
62052	Intrepid USA Healthcare Services	355	312	88%	32	16	5.1%	4.5%
47182	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	1,815	1,768	97%	172	86	4.9%	4.7%
47372	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	72	72	100%	5	3	3.5%	3.5%
52024	Deaconess Homecare	1,294	234	18%	0	0	0.0%	0.0%
47222	East Tennessee Children's Hospital Home Health Care	600	581	97%	0	0	0.0%	0.0%
	TOTALS	65,257	47,598	73%	11,099	5,550	11.7%	8.5%

Sources: 2014 Joint Annual Reports

Table Ten-D: Agency Dependence, STATEWIDE, on Total and Childbearing-Age Female Patients in Alere Hamilton's Proposed Counties--BY RANKING

TDH ID	AGENCY NAME	Total Agency Patients in TN	Total Agency Patients From Alere's Proposed Counties	Percent of Agency Dependence on Alere's Proposed Counties	Agency Total Patients Age 18-64 in Alere's Proposed Counties	Agency Female Patients Age 18-64 In Alere's Proposed Counties (Estimated @ 50%)	Local Dependence: Agency's Female 18-64 Patients in Proposed Counties as Percent of All Its Patients in Proposed Counties	Statewide Dependence: Agency's Female 18-64 Patients in Proposed Counties as Percent of All Its Patients Statewide
90081	Medical Center Homecare, Kingsport	1,846	1,845	100%	735	368	19.9%	19.9%
37021	Hometown Home Health Care, Inc.	94	94	100%	36	18	19.1%	19.1%
30021	Advanced Home Care, Inc.	817	817	100%	294	147	18.0%	18.0%
47432	Maxim Healthcare Services, Inc.	154	154	100%	54	27	17.5%	17.5%
90091	Medical Center Homecare Services	3,714	3,714	100%	1,284	642	17.3%	17.3%
30051	Procare Home Health Services	522	522	100%	180	90	17.2%	17.2%
47232	CareAll Home Care Services	686	680	99%	218	109	16.0%	15.9%
82051	Advanced Home Care, Inc.	2,276	2,276	100%	716	358	15.7%	15.7%
07032	Sunbelt Homecare	243	243	100%	76	38	15.6%	15.6%
01032	Clinch River Home Health	481	481	100%	149	75	15.5%	15.5%
46031	Johnson County Home Health	492	492	100%	140	70	14.2%	14.2%
34011	Hancock County Home Health Agency	488	488	100%	136	68	13.9%	13.9%
47132	Univ of TN Med Center Home Care Svcs - Home Health	771	746	97%	207	104	13.9%	13.4%
32132	Premier Support Services	1,372	1,372	100%	356	178	13.0%	13.0%
10031	Amedisys Home Health Care	937	935	100%	232	116	12.4%	12.4%
47092	Tennova Home Health (Mercy Home Hlth Svcs)	3,240	3,240	100%	761	381	11.7%	11.7%
47402	Covenant Homecare	4,792	4,652	97%	1,108	554	11.9%	11.6%
25044	Quality Home Health	3,591	1,754	49%	815	408	23.2%	11.3%
76032	Elk Valley Home Health Care Agency, LLC (Deaconess)	603	568	94%	136	68	12.0%	11.3%
13032	Suncrest Home Health (Claiborne Home Health)	1,008	1,008	100%	226	113	11.2%	11.2%
96030	Professional Home Health Care Agency, Inc.	5	5	100%	1	1	10.0%	10.0%
30041	Laughlin Home Health Agency	737	737	100%	142	71	9.6%	9.6%
05012	Blount Memorial Hospital Home Health Services	1,281	1,192	93%	246	123	10.3%	9.6%
47042	Gentiva Health Services	413	408	99%	79	40	9.7%	9.6%
32122	Univ of TN Med Center Home Health Services	751	751	100%	139	70	9.3%	9.3%
47062	Camellia Home Health of East Tennessee, LLC	1,732	1,146	66%	320	160	14.0%	9.2%
90131	NHC Homecare	465	465	100%	80	40	8.6%	8.6%
47012	NHC Homecare	883	882	100%	150	75	8.5%	8.5%
15032	Smoky Mountain Home Health and Hospice, Inc.	1,102	1,102	100%	177	89	8.0%	8.0%
82061	Gentiva Health Services	612	611	100%	93	47	7.6%	7.6%
32102	Amedisys Home Health Care	3,210	3,210	100%	451	226	7.0%	7.0%
47202	Amedisys Home Health Care	4,391	4,390	100%	525	263	6.0%	6.0%
01042	Professional Case Management of Tennessee	173	166	96%	19	10	5.7%	5.5%
90121	Amedysis Home Health	1,460	1,460	100%	157	79	5.4%	5.4%
19494	Elk Valley Health Services, Inc.	293	69	24%	30	15	21.7%	5.1%
47182	Gentiva Hlth Svcs (Girling Health Care, Inc., Knoxville)	1,815	1,768	97%	172	86	4.9%	4.7%
62052	Intrepid USA Healthcare Services	355	312	88%	32	16	5.1%	4.5%
13022	Amedisys Home Health of Tennessee	1,547	761	49%	113	57	7.4%	3.7%
47372	The Home Option By Harden Hlth Care (Girling Hlth Care Svcs of KV)	72	72	100%	5	3	3.5%	3.5%
25034	Quality Private Duty Care	894	189	21%	61	31	16.1%	3.4%
06063	Home Health Care of East Tennessee, Inc.	2,680	451	17%	129	65	14.3%	2.4%
19544	Home Care Solutions, Inc. (LHC)	1,689	307	18%	68	34	11.1%	2.0%
62062	Sweetwater Hospital Home Health	625	50	8%	17	9	17.0%	1.4%
54043	NHC Homecare	358	31	9%	5	3	8.1%	0.7%
67024	Amedisys Home Health	949	71	7%	13	7	9.2%	0.7%
33103	Amedisys Home Health	2,564	94	4%	14	7	7.4%	0.3%
75024	NHC Homecare	4,180	2	0%	2	1	50.0%	0.0%
52024	Deaconess Homecare	1,294	234	18%	0	0	0.0%	0.0%
47222	East Tennessee Children's Hospital Home Health Care	600	581	97%	0	0	0.0%	0.0%
	TOTALS	65,257	47,598	73%	11,099	5,550	11.7%	8.5%

Sources: 2014 Joint Annual Reports

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C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

Applicant's Historical Utilization

Following this page is Table Eleven-A, providing the past three years of utilization for the three Alere Women's and Children's Health agencies in Tennessee. The second following page is Table Eleven-B, providing comprehensive statistics on the 2014 utilization of Alere Women's and Children's Health (Hamilton County) as reported in its 2014 Joint Annual Report.

Applicant's Projected Utilization

The applicant projected its utilization from the proposed service area using a two-step process, as stated below. The steps are reflected in Tables Twelve-A and -B, which follow the historical Alere utilization charts that begin after this page.

1. Alere/Hamilton's 2014 overall use rate in its current 13-county service area was calculated. Alere/Hamilton's Tennessee patients by county during 2014 were totaled (44 from Tennessee) and divided by the 2014 female population of childbearing age for its current counties (147,943) to derive the target population's average Tennessee service area use rate of Alere / Hamilton, which was 0.030%. See Table Twelve-A below.

2. Alere/Hamilton's 2014 average use rate was then applied to the projected Years One and Two population of females of childbearing age in the *proposed* service area. That resulted in a projection of approximately 94 additional Alere patients in both 2017 and 2018. See Table Twelve-B below.

Table Eleven-B: 2014 Alere / Hamilton County Utilization

Health Statistics ID	Agency County	Agency Name	Total Patients	TNCare Patients	TnCare % of Patients
33423	Hamilton	Alere Women's and Children's Health	50	36	72.0%

Total Gross Revenue	TNCare Gross Revenue	TnCare % of Gross Revenue
$372,257	$201,108	54.0%

Total Visits	TNCare Visits	TnCare % of Visits
409	336	82.2%

Total Hours	TNCare Hours	TnCare % of Hours
613	504	82.2%

Total Patients	Patients Age 18-64	% of Patients Age 18-64
50	50	100.0%

Source: HHA Joint Ann. Reports, 2014.

Table Eleven-A: Alere Women's and Children's Health (All Tennessee Agencies)
2012-2014 Total Patients, 2014 TennCare Patients, 2014 Patients of Childbearing Age (18-64)

Health Statistics ID Number	Home Health Agency Name	Agency License Number	County of Parent Office	Date Agency Licensed	2012 JAR Total Patients Served	2013 JAR Total Patients Served	2014 JAR Total Patients Served	2014 JAR TennCare Patients Served	2014 TennCare Percent of Total Patients Served	2014 Patients Served Ages 18-64	2014 Percent of Total Patients Served Who were Age 18-64
19654	Alere Women's and Children's Health	471	Davidson	3/1/99	196	202	186	134	72.0%	184	98.9%
33423	Alere Women's and Children's Health	457	Hamilton	11/13/98	52	74	50	36	72.0%	50	100.0%
79466	Alere Women's and Children's Health	459	Shelby	12/21/98	401	417	376	175	46.5%	375	99.7%
			Statewide Totals		649	693	612	345	56.4%	609	99.5%

Source: TDH; 2014 Joint Annual Reports of Home Health Agencies

Table Twelve-A: Alere Hamilton's Use Rates in 2014			
County	Alere Agency's Total Patients in 2014	2014 Female Population 15-44	Alere Use Rate by Population of Childbearing Age
HAMILTON CO. AGENCY			
Bledsoe	0	1,959	0.000%
Bradley	12	20,435	0.059%
Coffee	2	11,214	0.018%
Grundy	1	2,378	0.042%
Hamilton	15	68,201	0.022%
Marion	0	5,006	0.000%
McMinn	3	9,568	0.031%
Meigs	0	2,121	0.000%
Monroe	1	7,887	0.013%
Polk	1	2,916	0.034%
Rhea	2	6,154	0.032%
Sequatchie	0	2,700	0.000%
Warren	7	7,404	0.095%
AGENCY TOTAL	***44***	***147,943***	***0.030%***

Source: Joint Annual Reports; TDH Population Projections 2013 Series.
Note: Patients exclude 6 from outside TN service area.

Table Twelve-B: Alere Patients By Proposed New Counties--Years One & Two					
Proposed Counties To Be Added to Alere Hamilton's Service Areas	**Year One 2017 Female Population 15-44**	**Year 2018 Female Population 15-44**	**Agency's 2014 Average Use Rate in Its Current Counties**	**Year One Projected Potential New Alere Patients**	**Year Two Projected Potential New Alere Patients**
Anderson	13,155	13,223	0.030%	3.95	3.97
Blount	24,336	24,702	0.030%	7.30	7.41
Campbell	7,762	7,806	0.030%	2.33	2.34
Carter	10,247	10,230	0.030%	3.07	3.07
Claiborne	6,152	6,154	0.030%	1.85	1.85
Cocke	7,196	7,387	0.030%	2.16	2.22
Grainger	4,190	4,249	0.030%	1.26	1.27
Greene	12,624	12,694	0.030%	3.79	3.81
Hamblen	12,055	12,182	0.030%	3.62	3.65
Hancock	1,105	1,121	0.030%	0.33	0.34
Hawkins	8,877	8,628	0.030%	2.66	2.59
Jefferson	10,405	10,535	0.030%	3.12	3.16
Johnson	2,679	2,708	0.030%	0.80	0.81
Knox	92,158	92,350	0.030%	27.65	27.71
Loudon	7,899	7,865	0.030%	2.37	2.36
Morgan	3,508	3,523	0.030%	1.05	1.06
Roane	8,721	8,714	0.030%	2.62	2.61
Scott	4,073	4,111	0.030%	1.22	1.23
Sevier	17,725	18,007	0.030%	5.32	5.40
Sullivan	24,153	23,641	0.030%	7.25	7.09
Unicoi	3,155	3,181	0.030%	0.95	0.95
Union	3,390	3,399	0.030%	1.02	1.02
Washington	26,225	26,327	0.030%	7.87	7.90
NEW COUNTIES TOTAL	**311,790**	**312,737**	**0.030%**	**93.54**	**93.82**
PROJECTED ALERE PATIENTS				**60**	**94**

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SUPPLEMENTAL Table Twelve-C: Alere Patients By Proposed New Counties--Year Two (2018)							
Proposed Counties To Be Added to Alere Hamilton's Service Areas	Year One 2017 Female Population 15-44	Year 2018 Female Population 15-44	9-15 TDH Update of Year 2018 Female Pop 15-44	Agency's 2014 Average Use Rate in Its Current Counties	Year One Projected Potential New Alere Patients	Year Two Projected Potential New Alere Patients	Year Two 2018 Update--Projected New Alere Patients
Anderson	13,155	13,223	12,871	0.030%	3.95	3.97	3.86
Blount	24,336	24,702	23,653	0.030%	7.30	7.41	7.10
Campbell	7,762	7,806	6,895	0.030%	2.33	2.34	2.07
Carter	10,247	10,230	9,950	0.030%	3.07	3.07	2.99
Claiborne	6,152	6,154	6,161	0.030%	1.85	1.85	1.85
Cocke	7,196	7,387	6,214	0.030%	2.16	2.22	1.86
Grainger	4,190	4,249	3,865	0.030%	1.26	1.27	1.16
Greene	12,624	12,694	12,129	0.030%	3.79	3.81	3.64
Hamblen	12,055	12,182	11,618	0.030%	3.62	3.65	3.49
Hancock	1,105	1,121	1,116	0.030%	0.33	0.34	0.33
Hawkins	8,877	8,628	9,744	0.030%	2.66	2.59	2.92
Jefferson	10,405	10,535	10,044	0.030%	3.12	3.16	3.01
Johnson	2,679	2,708	2,601	0.030%	0.80	0.81	0.78
Knox	92,158	92,350	98,288	0.030%	27.65	27.71	29.49
Loudon	7,899	7,865	8,002	0.030%	2.37	2.36	2.40
Morgan	3,508	3,523	3,503	0.030%	1.05	1.06	1.05
Roane	8,721	8,714	8,513	0.030%	2.62	2.61	2.55
Scott	4,073	4,111	4,208	0.030%	1.22	1.23	1.26
Sevier	17,725	18,007	17,745	0.030%	5.32	5.40	5.32
Sullivan	24,153	23,641	25,946	0.030%	7.25	7.09	7.78
Unicoi	3,155	3,181	2,984	0.030%	0.95	0.95	0.90
Union	3,390	3,399	3,265	0.030%	1.02	1.02	0.98
Washington	26,225	26,327	27,133	0.030%	7.87	7.90	8.14
NEW COUNTIES TOTAL	**311,790**	**312,737**	**316,448**	**0.030%**	**93.54**	**93.82**	**94.93**
PROJECTED ALERE PATIENTS					**60**	**94**	**95**
MINIMAL CHANGE BY UPDATE			**1.20%**				**1.20%**

C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

• ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST $3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.

• THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.

• THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.

• FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.

Please see the following page for the Project Cost Chart. There is no construction required.

PROJECT COSTS CHART--ALERE HAMILTON COUNTY--EXPANSION

A.	Construction and equipment acquired by purchase:	
1.	Architectural and Engineering Fees	$ 0
2.	Legal, Administrative, Consultant Fees (Excl CON Filing Fee)	60,000
3.	Acquisition of Site	0
4.	Preparation of Site	0
5.	Construction Cost	0
6.	Contingency Fund	0
7.	Fixed Equipment (Not included in Construction Contract)	0
8.	Moveable Equipment (List all equipment over $50,000)	17,600
9.	Other (Specify) _____	0
B.	Acquisition by gift, donation, or lease:	
1.	Facility (inclusive of building and land)	0
2.	Building only	0
3.	Land only	0
4.	Equipment (Specify) _____	0
5.	Other (Specify) _____	0
C.	Financing Costs and Fees:	
1.	Interim Financing	0
2.	Underwriting Costs	0
3.	Reserve for One Year's Debt Service	0
4.	Other (Specify) _____	0
D.	Estimated Project Cost (A+B+C)	77,600
E.	CON Filing Fee	3,000
F.	Total Estimated Project Cost (D+E)	TOTAL $ 80,600

Actual Capital Cost 80,600
Section B FMV 0

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

_____A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

_____B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

_____C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

_____D. Grants--Notification of Intent form for grant application or notice of grant award;

___x__E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or

_____F. Other--Identify and document funding from all sources.

The project will be funded/financed in cash by United Health Group (UHG), the ultimate parent company of Alere Women's and Children's Health, LLC. through its subsidiary OptumHealth Care Solutions, Inc. Documentation of financing is provided in Attachment C, Economic Feasibility--2. UHG's income statement and balance sheet are also included.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

Not applicable; the project does not include construction.

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

See the following three pages for these charts, with a page of itemized expenses following the last chart.

1. As explained in Section C.II.9 below, the TennCare MCO's, not TennCare, contract with Alere at a pre-negotiated per diem rate. Each MCO pays 100% of its negotiated rate. Large contractual adjustments are explained primarily by that.

2. Commercial plans who utilize Alere include Aetna, Cigna, Humana, and United Health Care. The reimbursement from these agencies is agreed to using the same "bundled" per diem approach that is used for TennCare. Each insurance plan is contracted with separately; and the confidential contracts state the rates of reimbursement. These are proprietary methodologies, negotiations, rates, and contracts and are not available for public disclosure.

3. Decreases in average charges from CY2014 through the projection period are due to a change in the mix of therapies and services Alere provides. The therapy mix has changed; Alere is now serving patients with therapies that have a lower average charge.

4. The historic and projected data charts are full income and expense statements that show net operating revenue after deductions for contractual adjustments, charity care, and bad debt. Please note that Table 16 (payor mix) later in the application shows revenue data *before* adjustment for bad debt. This is not an inconsistency. If bad debt is added back into net operating revenue in the historic and projected data charts, the net operating revenue will match what is shown in Table 16.

HISTORICAL DATA CHART -- ALERE HAMILTON COUNTY
(ALL DATA ON CALENDAR YEAR BASIS EXCEPT LINE A FYE PATIENTS FROM JAR)

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		CY 2012	CY 2013	CY 2014
A. Utilization Data	CY Patients, TN & Other	54	73	51
	FYE Patients, TN only (JAR)	52	74	50
B. Revenue from Services to Patients				
1. Inpatient Services		$		
2. Outpatient Services				
3. Emergency Services				
4. Other Operating Revenue		297,104	197,626	379,702
(Specify) See notes page				
	Gross Operating Revenue	$ 297,104	$ 197,626	$ 379,702
C. Deductions for Operating Revenue				
1. Contractual Adjustments		$ 193,916	125,946	225,024
2. Provision for Charity Care		2,971	1,976	3,797
3. Provisions for Bad Debt		4,009	2,788	5,737
	Total Deductions	$ 200,896	$ 130,710	$ 234,558
NET OPERATING REVENUE		$ 96,208	$ 66,916	$ 145,144
D. Operating Expenses				
1. Salaries and Wages		$ 28,312	29,157	54,564
2. Physicians Salaries and Wages				
3. Supplies		10,451	11,256	17,018
4. Taxes		418	453	616
5. Depreciation		678	616	931
6. Rent		653	819	1,436
7. Interest, other than Capital				
8. Management Fees				
a. Fees to Affiliates				
b. Fees to Non-Affiliates				
9. Other Expenses (Specify) See notes page		6,858	7,924	14,063
	Total Operating Expenses	$ 47,370	50,225	88,628
E. Other Revenue (Expenses) -- Net (Specify)		$	$	$
NET OPERATING INCOME (LOSS)		$ 48,838	$ 16,691	$ 56,516
F. Capital Expenditures				
1. Retirement of Principal		$	$	$
2. Interest				
	Total Capital Expenditures	$ 0	$ 0	$ 0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		$ 48,838	$ 16,691	$ 56,516

PROJECTED DATA CHART--ALERE HAMILTON-- PROPOSED NEW COUNTIES ONLY
(ALL DATA ON CALENDAR YEAR BASIS)

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

			YEAR ONE	YEAR TWO
		Patients	60	94
A.	Utilization Data			
B.	Revenue from Services to Patients			
	1. Inpatient Services		$	$
	2. Outpatient Services			
	3. Emergency Services			
	4. Other Operating Revenue (Specify)	See notes page	408,660	640,234
		Gross Operating Revenue	$ 408,660	$ 640,234
C.	Deductions for Operating Revenue			
	1. Contractual Adjustments		$ 262,313	410,958
	2. Provision for Charity Care		4,087	6,402
	3. Provisions for Bad Debt		5,690	8,915
		Total Deductions	$ 272,090	$ 426,275
NET OPERATING REVENUE			$ 136,570	$ 213,959
D.	Operating Expenses			
	1. Salaries and Wages		$ 89,388	128,869
	2. Physicians Salaries and Wages			
	3. Supplies		16,878	33,053
	4. Taxes			
	5. Depreciation			
	6. Rent			
	7. Interest, other than Capital			
	8. Management Fees			
	a. Fees to Affiliates			
	b. Fees to Non-Affiliates			
	9. Other Expenses (Specify)	See notes page	3,885	6,232
	Dues, Utilities, Insurance, and Prop Taxes.			
		Total Operating Expenses	$ 110,151	$ 168,154
E.	Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)			$ 26,419	$ 45,805
F.	Capital Expenditures			
	1. Retirement of Principal		$	$
	2. Interest			
		Total Capital Expenditures	$ 0	$ 0
NET OPERATING INCOME (LOSS)				
LESS CAPITAL EXPENDITURES			$ 26,419	$ 45,805

PROJECTED DATA CHART-- ALERE HAMILTON--WITH CURRENT AND PROPOSED COUNTIES (ALL DATA ON CALENDAR YEAR BASIS)

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

			YEAR ONE	YEAR TWO
		Patients	115	149
A.	Utilization Data			
B.	Revenue from Services to Patients			
	1. Inpatient Services		$	$
	2. Outpatient Services			
	3. Emergency Services			
	4. Other Operating Revenue (Specify)	See notes page	783,265	1,014,839
		Gross Operating Revenue	$ 783,265	$ 1,014,839
C.	Deductions for Operating Revenue			
	1. Contractual Adjustments		$ 502,767	651,412
	2. Provision for Charity Care		7,833	10,148
	3. Provisions for Bad Debt		10,907	14,131
		Total Deductions	$ 521,507	$ 675,691
NET OPERATING REVENUE			$ 261,758	$ 339,148
D.	Operating Expenses			
	1. Salaries and Wages		$ 143,952	183,433
	2. Physicians Salaries and Wages			
	3. Supplies		32,350	48,525
	4. Taxes		616	616
	5. Depreciation		931	931
	6. Rent		1,436	1,436
	7. Interest, other than Capital			
	8. Management Fees			
	a. Fees to Affiliates			
	b. Fees to Non-Affiliates			
	9. Other Expenses (Specify)	See notes page	17,948	20,295
	Dues, Utilities, Insurance, and Prop Taxes.			
		Total Operating Expenses	$ 197,233	$ 255,236
E.	Other Revenue (Expenses) -- Net (Specify)		$	$
NET OPERATING INCOME (LOSS)			$ 64,525	$ 83,912
F.	Capital Expenditures			
	1. Retirement of Principal		$ 0	$ 0
	2. Interest		0	0
		Total Capital Expenditures	$ 0	$ 0
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES			$ 64,525	$ 83,912

Other Expense Detail
ALERE HAMILTON

	Historical			Projected (Project)		Projected (Expanded Agency)	
	2012	2013	2014	Yr 1	Yr 2	Yr 1	Yr 2
Courier_Postage Exp	1,963	1,819	2,145	-	-	2,145	2,145
Other	289	380	816	384	684	1,200	1,500
Facilities - R&M	162	137	166	584	834	750	1,000
Facilities - Utilities	117	134	353	-	147	353	500
Telephone	1,526	2,412	4,539	961	1,461	5,500	6,000
Travel	2,677	2,895	5,668	1,832	2,832	7,500	8,500
Misc Sales Expenses	124	147	376	124	274	500	650
Total Other Exp	**6,858**	**7,924**	**14,063**	**3,885**	**6,232**	**17,948**	**20,295**

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Thirteen-A : Average Charges, Deductions, and Net Charges Alere/Hamilton Agency--Proposed 23 New Counties Only		
	Year One	**Year Two**
Patients	60	94
Average Gross Charge Per Patient	$6,811	$6,811
Average Deduction Per Patient	$4,535	$4,535
Average Net Charge (Net Operating Income) Per Patient	$2,276	$2,276
Average Net Operating Income Per Patient After Capital Expenditures	$440	$487

Table Thirteen-B : Average Charges, Deductions, and Net Charges Alere / Hamilton Agency--Current Plus Proposed Counties		
	Year One	**Year Two**
Patients	115	149
Average Gross Charge Per Patient	$6,811	$6,811
Average Deduction Per Patient	$4,535	$4,535
Average Net Charge (Net Operating Income) Per Patient	$2,276	$2,276
Average Net Operating Income Per Patient After Capital Expenditures	$561	$563

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

Table Fourteen: Alere/Hamilton's Charges Per Patient (Current and Proposed Counties)		
	CY2014	**Year Two**
Agency Total Unduplicated Patients	51	149
Gross Charges, All Services	$379,702	$1,014,839
Gross Charges Per Patient	$7,445	$6,811

Source: Alere management; Historic and Projected Cost Charts.

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

Table Fifteen-A: 2014 Costs & Charges (Gross Revenues) of Selected Agencies in the Service Area For All Disciplines (Except Cost/Visit Data)

Agency*	Cost Per Skilled Nursing Visit	Gross Revenue Per Unduplicated Patient	Gross Revenue Per Visit	Gross Revenue Per Hour
1	$111	$2,563	$151.63	NA
2	$110	$2,965	$151.06	NA
3	$91	$3,115	$213.84	$65.24
4	$153	$5,900	$150.55	NA
5	NA	$94,022	$772.64	NA
6	$125	$1,655	$37.80	NA
7	$58	$111,470	$19,031.47	$35.10
8	$145	$4,349	$233.41	NA
9	$89	$14,983	$633.24	$39.88
10	$106	$8,579	$247.17	$109.71
11	NA	$16,584	NA	$22.79
12	$84	$4,831	$98.41	NA
13	$161	$4,385	$152.84	NA
Alere/ Hamilton Year One	NR	$6,811	NR	NR

Source: 2014 Joint Annual Reports; and Alere management.

*Key to Agencies:

1. Advanced Home Care, Inc., Sullivan Co
2. Advanced Home Care, Inc., Greene Co
3. Careall Home Service, Knox Co
4. Clinch River Home Health, Anderson Co
5. Elk Valley Health Services, Inc., Davidson Co
6. Hometown Health Care, Inc., Hawkins Co
7. Maxim Healthcare Services, Inc., Knox Co
8. Medical Center Homecare (KP)Washington Co
9. ProCare Home Health Services, Greene Co
10. Quality Home Care, Fentress Co
11. Quality Private Duty Care, Fentress Co
12. Sunbelt Homecare, Campbell Co
13. Sweetwater Hospital Home Health, Monroe Co

Table Fifteen-B: Alere/Hamilton's Average Charges (Gross Revenue) Per Unduplicated Patients(All Counties)

	CY 2014	Year Two
Total Gross Revenue	$379,702	$1,014,839
Patients	51	149
Total Gross Revenue Per Patient	$7,445	$6,811

Source: Alere management.

The applicant focuses on patients whose youth makes them ineligible for Medicare, so the Medicare fee schedule is not applicable.

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

Because this is a home health service with pre-negotiated reimbursement rates from insurers, and known contractual costs for field personnel and supplies, the expansion proposed in Middle Tennessee will be cost-effective and will operate with a positive margin from the outset.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

This is an existing agency with existing positive cash flow. There will be no delay or interruption in positive cash flow caused by the addition of more patients.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

Table Sixteen on the following page provides comprehensive payor mix projections for the Alere/Shelby agency. It shows data before contractual adjustment for bad debt. The bad debt shown in the Historic and Projected Data Charts can be added back to the net operating revenue in those charts, and the totals will correspond with the net operating revenue shown in Table 16.

Table Sixteen: Alere Hamilton County Agency--Current and Projected Payor Mix on Gross Revenues (Billings)											
CY 2014	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other/Charity	%	Total (100%)
Patients		0.0%	41	81.0%	10	19.0%	0.00	0%	0.0	0.0%	51
Gross Revenue		0.0%	$307,558.62	81.0%	$72,143.38	19.0%	$0.00	0%	$0.00	0.0%	$379,702.00
Net Revenue		0.0%	$102,599.76	68.0%	$48,282.24	32.0%	$0.00	0%	$0.00	0.0%	$150,882.00
Gross Revenue/Patient			$7,501.43		$7,214.34						$7,445.14
Net Revenue/Patient			$2,502.43		$4,828.22						$2,958.47
Year One	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other/Charity	%	Total (100%)
Patients		0.0%	93	81.0%	22	19.0%	0.00	0%	0.0	0.0%	115
Gross Revenue		0.0%	$634,444.65	81.0%	$148,820.35	19.0%	$0.00	0%	$0.00	0.0%	$783,265.00
Net Revenue		0.0%	$202,044.77	74.1%	$70,620.24	25.9%	$0.00	0%	$0.00	0.0%	$272,665.00
Gross Revenue/Patient			$6,821.99		$6,764.56						$6,811.00
Net Revenue/Patient			$2,172.52		$3,210.01						$2,371.00
Year Two	Medicare (All Types)	%	TennCare / Medicaid	%	Commercial	%	Self Pay	%	Other/Charity	%	Total (100%)
Patients		0.0%	121	81.0%	28	19.0%	0.00	0%	0.0	0.0%	149
Gross Revenue		0.0%	$822,019.59	81.0%	$192,819.41	19.0%	$0.00	0%	$0.00	0.0%	$1,014,839.00
Net Revenue		0.0%	$261,779.74	74.1%	$91,499.26	25.9%	$0.00	0%	$0.00	0.0%	$353,279.00
Gross Revenue/Patient			$6,793.55		$6,886.41						$6,811.00
Net Revenue/Patient			$2,163.47		$3,267.83						$2,371.00

Source: Alere management.

*Note: This data is on a **calendar** year basis. It is not consistent with Alere's 2014 Joint Annual Report for two reasons:*

1. *The JAR is for the period ending June 30, 2014; this table is for the period ending December 31, 2014.*
2. *Alere has reported net revenue in its JAR rather than gross revenue because Alere bills only on a net revenue basis, at pre-negotiated "bundled" per diem rates. The table above shows gross revenues applicable before negotiating discounts for billing purposes.*

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

After the CON process costs are incurred, the only cost to the applicant of implementing the project is a minor expenditure for minor equipment. The entire project cost will not exceed $80,600, and may cost less if significant opposition is not encountered during CON review.

The applicant decided to pursue this project due to continuous requests from referring physicians to extend their services into a wider geography. The choice of counties was dictated by a long-range plan to expand Alere into a Statewide provider--for greater ease of contracting to serve the TennCare population that comprises the great majority of its patients.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AND/OR WORKING RELATIONSHIPS, E.G., TRANSFER AGREEMENTS, CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

Alere does not require transfer agreements because Alere is a service organization rather than a facility. If Alere patients develop a need for hospitalization, their physicians and patients request admission and (if needed) patient transport via ambulance. Alere's most continuous contact is with the three TennCare MCO's who request Alere to provide obstetrical home care to their high-risk enrollees. Alere has negotiated reimbursement contracts with all area MCO's.

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

Alere believes that this project does not duplicate other agencies' care for this type and age of patient, based on its own familiarity with those agencies, its phone surveys of those agencies, and the apparently minimal services provided to women of childbearing age as documented in the statistical tables discussed in the Need section of this application.

Even if Alere's entry would take all of its patients from other providers, the Alere patient base will be so small (94 patients in Year Two) that there should be no significant adverse impacts on existing providers.

The project will have positive impacts on patient health in these rural counties. Tennessee is still above the national average for premature births. This rural area and those who pay for its maternal and infant health care needs (particularly TennCare) need to reduce this set of health problems. That will require expansion of clinically sophisticated home care support through proven and financially accessible providers such

as Alere. That expansion will create greater awareness and confidence in home care, among referring obstetricians and their patients. The strongest impact of the project will be a positive one that is difficult to quantify--the reduction of costly Emergency Room visits, maternal acute care admissions, NICU admissions of preterm babies, and excessive visits to overcrowded obstetricians' practice offices. These burdensome and expensive events can be significantly reduced by Alere's home care; and it is those patients--rather than other agencies' patient--that Alere's application is targeting.

One alternative to obtaining its own authorization for home care services in these new counties would appear to be for Alere to subcontract its services to existing agencies. If optimal patient outcomes could be assured, Alere would be willing to do that, and has done so in the past in a few areas. But Alere has now ceased to subcontract its services to other home health agencies, because of difficulty with controlling the scope and costs of care in a manner that optimizes good outcomes. This is an area with serious liability risks and Alere is not willing to share control of patient care with another party that is inexperienced in that care. It is not feasible.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Not available. Registered nurses are the only type of employee in this project. The Department of Labor and Workforce Development website no longer provides 2014 or 2015 occupational wage salary survey information for nurses other than licensed practical or vocational nurses.

Please see the following page for Table Eighteen, which shows the project's FTE's and salary ranges.

Table Eighteen: Alere / Hamilton County Agency Current and Projected Staffing					
Position Type (RN, etc.)	Current 2015 FTE's	Yr 1 2016 FTE's	Yr 2 2017 FTE's	Annual Salary Range 2015 Minimum	Maximum
Office Positions, Management and Clinical					
Administrative Assistant	0.50	0.50	0.50	$27,892.00	$48,900.00
Home Care Director	1.00	1.00	1.00	$57,800.00	$103,700.00
Administrative Assistant (Call Center Support)	0.50	1.00	1.50	$27,892.00	$48,900.00
Perinatal Clinicians (Call Center Support)	0.25	1.00	1.50	$40,810.00	$72,300.00
Account Executive	0.33	1.00	1.00	$45,500.00	$80,100.00
Subtotal, Office FTE's	**2.58**	**4.50**	**5.50**		
Clinical Positions in Field (Direct Patient Care)					
Patient Educators Current: 7 RNs	1.10	1.57	2.36	$48,505.00	$86,403.00
2016 10 2017 15					
Subtotal, Field FTE's	**1.10**	**1.57**	**2.36**		
Total, Office and Field FTE's	**3.68**	**6.07**	**7.86**		

Source: Alere Management

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

Currently Alere/Hamilton's pool of direct patient care employees consists of 7 OB RN's whose assigned (part-time) caseloads will total 1.1 FTE equivalents in CY2015. Some of these OB RN's live in close proximity to one or more of the proposed counties, so Alere can begin service to those counties immediately after CON approval. Another 2.58 FTE equivalents are management and Call Center support personnel.

The addition of all 23 new counties with their estimated 94 additional patients, combined with the continuing cases from Alere/Hamilton's current service area, will cause Alere's direct patient care OB RN employees to increase from 7 to 15 RNs in Year Two. Days of service requested of both current and additional RN's (and the central office and call center support staff) will cumulatively total approximately 7.86 FTE equivalents, as indicated by the staffing data in Table Eighteen. Of that, 2.36 FTE equivalents are cumulative per diems from the pool of qualified OB RN's ("Patient Educators" in the field) who are employed by Alere to perform home care services under Alere protocols and the direction of supervising physicians.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

This agency does not participate in the training of health care professionals.

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE: Board for Licensure of Healthcare Facilities
Tennessee Department of Health

CERTIFICATION: None required by Medicare or TennCare

ACCREDITATION: Joint Commission (System-wide)

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, and fully "system-wide" accredited by the Joint Commission (JC). System-wide accreditation is the JC's process for efficient accreditation of a large system of agencies by surveys of a random sampling of their sites. This suffices to provide a "system-wide" accreditation of all the providers' sites. Alere has earned the Joint Commission's Gold Seal for system-wide excellence.

None of Alere's Tennessee agencies has been selected as a JC system-wide survey site. Please see the relevant documents in the Attachments for the survey results of JC's selected sites. The JC accreditation letter is addressed to the Alere office responsible for all Alere accreditation activities.

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and/or the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C).

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

March 23, 2016

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed		
2. Construction documents approved by TDH		
3. Construction contract signed		
4. Building permit secured		
5. Site preparation completed		
6. Building construction commenced		
7. Construction 40% complete		
8. Construction 80% complete		
9. Construction 100% complete		
10. * Issuance of license	127	8-1-16
11. *Initiation of service	157	9-1-16
12. Final architectural certification of payment	NA	NA
13. Final Project Report Form (HF0055)	187	10-1-16

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 7th day of December (Month), 2015 (Year) a Notary

Public in and for the County/State of DAVIDSON

LAURA BILBREY
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY

NOTARY PUBLIC

My commission expires June 21 (Month/Day), 2016 (Year).

INDEX OF ATTACHMENTS

A.4--Ownership
Legal Entity and Organization Chart

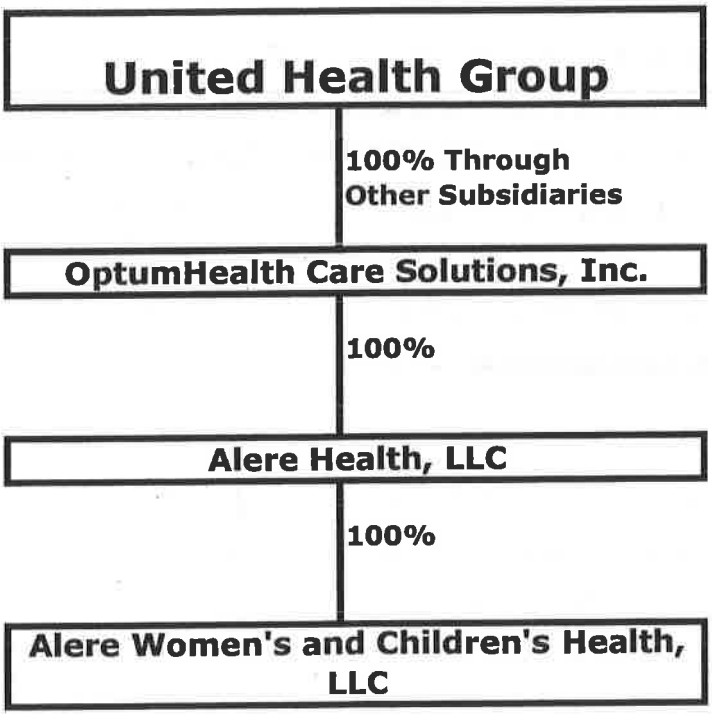
Notes on Alere Women's and Children's Health, LLC

The applicant is Alere Women's and Children's Health, LLC. Its present name is the result of several reorganizations and name changes that are summarized below. The first page of this Attachment is documentation from the Tennessee Secretary of State that it is registered in good standing to do business in Tennessee.

Some years ago, two corporations named Tokos and Healthdyne merged, with Healthdyne being the surviving corporation, which then changed its name to Matria Healthcare, Inc. and then changed it again to Matria Women's and Children's Health, Inc. By special authorization of the IRS, it was allowed to convert into an LLC, Matria Women's and Children's Health, LLC. That LLC changed its name to Alere Women's and Children's Health, LLC, the applicant's current name. From Healthdyne on, this entity has kept the same tax ID number and has been the same legal entity for purposes of a Certificate of Need application.

There are no individuals with membership interests in the applicant LLC. There are no plans to expand its ownership in the future. As stated in the application on page 5 (Executive Summary), Alere Women's and Children's Health, LLC is a wholly owned subsidiary of Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc., which is ultimately owned by United Health Group, a publicly traded company.

United Health Group is a very large publicly traded company with multiple divisions and services. The only home health care entity it owns directly or indirectly is Alere Women's and Children's Health, LLC. It owns no licensed physical facilities such as hospitals or nursing homes. Alere Women's and Children's Health, LLC has home health agencies licensed in twenty States.


United Health Group
100% Through
Other Subsidiaries
OptumHealth Care Solutions, Inc.
100%
Alere Health, LLC
100%
Alere Women's and Children's Health, LLC

Alere Women's and Children's Health, LLC Licensed Home Care Agencies in Tennessee	
Home Care Agency	**Licensed Counties**
SOUTHEAST TENNESSEE Alere Women's and Children's Health, LLC 651 East Fourth Street, Suite 100 Chattanooga, TN 37403 Angela Coffee, RN 423-634-3207	Bledsoe Bradley Coffee Grundy Hamilton Marion McMinn Meigs Monroe Polk Rhea Sequatchie Warren (13 counties)
WEST TENNESSEE Alere Women's and Children's Health, LLC 3175 Lenox Park Blvd, Suite 400 Memphis, TN 38115 Elizabeth Summers (901)756-6444	Fayette Hardeman Haywood Lauderdale Madison Shelby Tipton (7 counties)
MIDDLE TENNESSEE Alere Women's and Children's Health, LLC 1926 Hayes Street, Suite 111 Nashville, TN 37203 Laura Milner, RN 615-320-3270	Bedford Cannon Cheatham Clay Cumberland Davidson DeKalb Dickson Fentress Franklin Giles Hickman Houston Humphreys Jackson Lawrence Lewis Lincoln Macon Marshall Maury Montgomery Moore Overton Pickett Putnam Robertson Rutherford Smith Stewart Sumner Trousdale VanBuren White Williamson Wilson (36 counties)

Board for Licensing Health Care Facilities

State of Tennessee License No. 0000000457

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

ALERE WOMEN'S AND CHILDREN'S HEALTH, LLC *to conduct and maintain a*

Home Care Organization ALERE WOMEN'S AND CHILDREN'S HEALTH, LLC

Located at 651 EAST FOURTH STREET, SUITE 100, CHATTANOOGA

County of HAMILTON *, Tennessee.*

This license shall expire MAY 16 *,* 2016 *, and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 29TH *day of* APRIL *,* 2015 *.*

In the Distinct Category(ies) of: SKILLED NURSING
HOME HEALTH AGENCY

By Vincent J. Dario, MPH
DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By John J. Dreyzehner MD
COMMISSIONER

120

The Joint Commission

July 17, 2013

Mike Cotton
Chief Executive Officer
Alere Women's and Children's Health, LLC
3200 Windy Hill Road, Suite B-100
Atlanta, GA 30339

Joint Commission ID #: 436425
Program: Home Care Accreditation
Accreditation Activity: 60-day Evidence of Standards Compliance
Accreditation Activity Completed: 07/17/2013

Dear Mr. Cotton:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Home Care

This accreditation cycle is effective beginning May 15, 2013. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark Pelletier

Mark G.Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

Norman S. Ryan, M.D.

706 Laurel Avenue
Wilmette, Illinois 60091
(847) 906-4046 (home)
(312) 620-2096 (office)
Norman.ryan@alere.com nsryan@sbcglobal.net norman_ryan@rush.edu

Professional Experience

Alere Health

2013-present **Senior Vice President, Health Intelligence and Chief Medical Officer, Quality Alere Health**
(Subsidiary of Alere, Inc., Waltham, Massachusetts)

- Raised effectiveness of health intelligence in areas of technical innovation, product development, clinical effectiveness, financial analysis related to performance guarantees and cross-functional team development
- Executive Transition team member for recent divestiture of Alere Health (Alere, Inc. subsidiary) during multiple negotiations, presentations with both financial and strategic potential purchasers
- Performed research and analysis to demonstrate value of Alere Health programs
- Designed, organized and provided analytics support to Alere Health pilot programs enhancing clinical effectiveness
- Participated in and directed development of predictive modeling for vulnerable populations
- Supported clinical direction in diverse clinical programs
- Key point of contact for industry consultants
- Oversaw quality initiatives throughout the organization as an executive function in Alere Health; Chair Quality Improvement Committee
- Supported and participated in research studies for publication
- Participated in strategic alliances related to analytics and reporting
- Participated in industry thought leadership initiatives on population health management effectiveness measurement and reporting (PHA, HERO, other)
- Book of business outcomes analysis

Rush University Medical Center

2010 - 2013 **Senior Medical Director, Rush Health (Physician Hospital Organization for Rush University Medical Center, Chicago)**

- Practicing Family Physician/Geriatrician
- Rush University Medical Center College of Medicine Faculty
- Awarded Rush Excellence in Clinical Service award 2012 for work on development of Medical Homes at Rush. Inter-professional team achieved 2011 NCQA level III Medical

Home recognition for 7 practices at Rush. Participated in development of 43,000 patient registry, enhancements to Epic EMR to accommodate new data collection models, cross departmental integration for coordination of care, new reporting of results and outcomes, cooperation with multiple professionals to participate in effort as well as application and interaction with NCQA.

- Member Rush University hospital readmission taskforce
- Lead on multiple integrated health system clinical performance committees
- Team development of clinical decision support modules in Epic electronic medical record
- Accountable care organization (ACO) development taskforce
- Member Advisory Board University of Illinois Roybal Center for Health Promotion and Behavior Change

2006-2010

- Assistant Professor Family Medicine
- Practicing Family Physician/Geriatrician
- Instructor Physical Diagnosis
- Supervisor homeless shelter medical clinic
- Member advisory board, State of Illinois Department on Aging long-term care
- Advisor/mentor for award winning team Kellogg School of Business/Northwestern Medical School/Chest Foundation Disparities in Asthma Care case competition
- Member Advisory Board UIC Roybal Center for Health Promotion and Behavior Change
- Member Advisory Board UIC CDC sponsored Worksite Wellness Project

United Healthcare

2003-2006 **National Medical Director, Medical Management Programs, United Healthcare Clinical Operations**

Responsible for the clinical development and implementation of United Healthcare (UHC) medical management programs throughout the United States in such areas as onsite nursing and case management. In addition, responsibility for clinical integration of newly-acquired companies and the oversight of clinical programs developed for and purchased by United Healthcare

- Onsite Hospital Assessment Program: To help expedite in-patient care as well as the transitions to outpatient settings, organized project concept, developed and implemented national onsite program for medical personnel in target hospitals Managed 35% inpatient hospital utilization in the U.S. for United Healthcare in key, highest volume hospitals throughout the country with positive measured pre/post case-mix adjusted results for length of stay and quality
- Spectrum program: Developed low-touch, high-volume telephonic case management program, "Spectrum", in KY and FL test markets. Using only evidenced-based interventions, developed connections between at-risk participants and the medical system to improve measured outcomes in selected disease areas. Focus on congestive heart failure, coronary artery disease, diabetes. Using case-mix, risk-adjusted methodology demonstrated results of total intervention and subgroup performance.
- Vendor oversight - SPECKSS: Developed framework for consistent, required, enterprise-wide evaluation of clinical outreach programs using overview criteria for evaluation at

system level: Total size of target population; modifiable percentage of population; engaged percentage of population; enrolled percentage of population; "key value levers" which if modified predict positive change, improvements in clinical outcomes and costs; and improvement validation through identified data sources/ control groups. For each criteria a set of evidence was required to demonstrate validity of statements.

- Community Acquired Pneumonia multifaceted national project focused on Respiratory syncicial virus infection (RSV) prevention, Community Acquired Pneumonia guideline awareness, influenza and pneumovax immunizations

2003 **Divisional Medical Director Medical Expense Management, Clinical Operations North Division. Remained part-time in CMO role, Illinois until June 03. Member President's Leadership Development Program**

- Oversaw development and implementation of all Medical Expense Management activities for the North Division
- Matrixed responsibility for performance management of Medical Directors in the Northern United States for medical expense management activities
- Led project to attenuate hospital utilization trend in UHC. Spearheaded inter-segment project to align efforts and develop cooperation between sister companies, Care Management and Ingenix , with United Healthcare
- Developed hospital utilization targets for each UHC market through negotiation with associated partners in markets, Care Management and Ingenix
- Headed team development of authorization-based hospital utilization early warning reporting tool for management of hospital days (Bellwether report)
- Participated with Ingenix in development of claims-based hospital utilization reporting tool for the market level
- Developed with team the hospital data sharing "HDS" approach and tools.
- Implemented hospital data sharing nationally
- Developed multifaceted national project for community-acquired pneumonia with educational and public sector involvement in addition to the more traditional datasharing activities and best practice dissemination. Managed multiple funding streams in collaboration with Ingenix
- Developed national rapid response project for arthroscopy following New England Journal of Medicine article describing new evidence of best practice in this area.
- Participated in early development of employer data sharing (Lanco–Chicago based company)
- Member President's Leadership Development Program for valuable top talent management employees in United Healthcare

2001 **Chief Medical Officer and Vice President, United Healthcare Illinois** responsible for medical services in 1 million member health plan in Illinois.

1999 **Vice President Health Services, United Healthcare, Illinois**

Medical head of 1,000,000 member mixed-model managed care plan in Illinois during turnaround. Responsibilities for all medical management related activities. Head of Government Sales department. Responsible for medical aspects of turnaround of troubled company with multi-year history of losses in both finances and reputation

- Reduced excess hospital admission rates using both collegial-collaborative methods and

high technology predictive modeling
- Hired new team of directors, medical directors, project managers
- Upgraded reputation of reputation-challenged company in physician community
- Rebuilt Clinical Advisory Committee to give advice to our company from broad range of sources including academic, group practice, solo practice, organized medicine
- Participated in Illinois State Medical Society including appointment to Council on Economics to stay in tune with needs and viewpoints of medical community which has conflicted relationship with managed care
- Spearheaded with team the cultural change to "Care Coordination" philosophy internally, eliminating utilization management approach
- For first time in company history achieved JCAHO accreditation with exceptionally high scores in local and site surveys. Full three year accreditation .
- Reconfigured quality management team and approach toward "active quality management"
- Headed Medicare network reconfiguration project as Head of Government Sales
- Made university connections for future research, with original proposals now in place
- Continued in medical practice on part-time basis, incorporating medical student and resident education activities
- Presented to CDC national conference on chronic care, participated in review of world literature on exercise in the elderly and continued to shepherd development and expansion of SHAPE, the Senior Health Alliance Promoting Exercise, in Chicago to improve the health of our community

Humana Health Care Plans, Illinois

1997- 1999 **Market Medical Director**

Responsible for medical management in approximately 750,000 member health plans in Illinois and northwest Indiana with POS, ASO, HMO, PPO and specialty lines of business. Lead through ongoing challenges to remain largest and first or second most profitable plan in Humana nationally. Managed through sale and divestiture of 220,000 member group medical practice, which had been an integral part of health plan from its inception

1993-1997 **Medical Director, Network Management**

Medical Director responsible at several levels for approximately 650,000 members in direct contract IPA-model, Point of Service, ASO contracts, PPO, as well as Staff Model and Affiliated Medical Groups of Staff Model. Assisted in expansion of this network from 60,000 in 1993 to 650,000 in 1997

Member of senior management of one of the largest multi-specialty medical group practices in the United States with 220,000 members and 220 employed physicians

Overall responsibility for direction and strategic planning of all Utilization Management activities in both Staff Model and contracted IPA-model managed care plans. Responsible for quality management, relationship management and involvement in strategic planning, network development, credentialing and contracting in the contracted network

Rush Health Plans

1993 **Acting Medical Director**

130,000 member mixed-model Health Plan in Chicago

1990-1993 **Associate Medical Director for Utilization Management**

Overall responsibility for utilization of medical resources for the Rush Anchor HMO. Supervised department of 50 Utilization Management employees in 21 offices in Illinois and Indiana. Effected utilization of resources through consistent and directed cultural change in the medical practice of both employed physicians and network of consultant specialists

- Established and implemented policies which reduced non-Medicare hospital days utilization by 12%, yielding millions in decreased yearly hospital costs
- Supervised team of physicians managing care of patients from branch offices hospitalized at Rush-Presbyterian-St. Luke's Medical Center; improved efficiency of tertiary care and communication with network physicians. (Early "hospitalists")
- Directed development of comprehensive office and specialty-specific consultant directory prioritized by desirability of contract. Implemented use of directory in managing referrals within contracted network
- Authored organ transplant policy
- Originated, edited and published newsletter of clinical activities, incorporating Utilization Management, Quality Management and Pharmacy control data, in order to facilitate information dispersal throughout regional network

1990 **Director of Quality Management**
Interim Director of Utilization Management

Conducted case review and risk management activities. Promoted health maintenance protocols and policies in addition to directing Utilization Management department

Professional Activities

United Healthcare

- National Clinical Operations leadership team, United Healthcare, National Medical Director Medical Management Programs
- Key management North Division United Healthcare
- Senior Management, United Healthcare, Illinois
- Chairman, Medical Commission, Illinois Association of Health Plans
- Appointee to Governor's commission on Credentialing for State of Illinois
- Illinois State Medical Society Council on Economics
- Member of SIP13 Advisory Board, researching world literature on exercise in elderly under CDC/NIH grant
- Key participant in and founding member of SHAPE Senior Health Alliance Promoting Exercise Public/private coalition to promote health in Chicago area seniors
- Elected Member of the Institute of Medicine of Chicago, 2001
- Kickoff speaker and founding participant Antibiotic Education Council of Illinois October 2002

- Member of United Healthcare President's Leadership Development Program 2003
- Overall oversight internal and external disease management vendors, including chf, neonatology, diabetes, asthma
- Worked closely with companies developing predictive modeling using artificial intelligence to determine likely persons to fall into high risk medical categories over time (Landacorp)
- Organized north division clinical analytics team

1993-1999 **Humana**

- Senior Management, Humana Health Plans,Inc., Chicago Market
- NCQA steering committee for Chicago Market – successful full, three year accreditations twice
- Chair Clinical Quality Committee, Co-Chair Quality Council, Humana
- Chair, Market Utilization Management Committee, Humana Health Plans
- National Policy Committee, Humana, Inc., Corporate Office
- Corporate Technology Assessment Taskforce, Humana Health Plans, Inc.
- Corporate Management Reporting Taskforce, Humana Health Plans, Inc.
- Corporate Chronic Care Case Management Advisory Panel
- Corporate Disease Management Company Assessment and Implementation team/National Steering Committee. Oversight and evaluation of programs for CHF, Diabetes, Neonatology, Rare diseases, Coronary Artery Disease, Asthma, COPD
- Developed and implemented CHF disease management program in Chicago Market. Developed effectiveness comparisons with national programs
- Developed and implemented influenza and pneumonia immunization programs in both multi-specialty group practice and extended contracted physician Market network
- Working with teams, formulated approaches to measurement of surrogate indicators of health status decline: e.g. ER visits, hospital readmissions and developed programs to mitigate these declines
- Developed data and interrelated data trend analyses to monitor engaged populations for under-utilization of medical services.
- Chief Medical Editor Humana Corporate National Provider Newsletters
- National Humana Pharmacy and Therapeutics Committee
- Chairman, Illinois Association of HMOs Medical Commission
- Coordinated and managed 15 physician "hospitalist" program (until June 1998) at nine hospitals involving care of 180,000 patients - thought to be largest in U.S. at the time.
- Part-time clinical practice incorporating medical student and resident teaching
- Seminar with Heero Hacquebord (Dr Deming Partner) on statistical process control

1990-1993 **Rush Health Plans**

- Chair Member Services Committee which makes benefits policy decisions
- Chair Medical Advisory Committee which makes new technology policy decisions
- Co-chair of coordination team for joint primary care and subspecialty taskforces at Rush-Presbyterian-St. Luke's Medical Center to develop "critical paths" for management of specific clinical problems
- Professional Advisory Committee, Board of Trustees, Rush-Presbyterian-St. Luke's Health Plans, Inc. Advised the Board of Trustees on professional activities occurring in the Rush Health Plans, particularly those involving Quality Management and Utilization Management.
- Medical Advisory Board, Chartwell Midwest Home Infusion Services--a joint corporation with Tufts, New England Medical Center, Massachusetts General Hospital and Rush-Presbyterian-St. Luke's Medical Center. Provided medical oversight on policies and procedures used in home and clinic infusion services

- Developed onsite physician rounding program at Rush for patients admitted from outlying Anchor offices
- Analyzed and developed activities toward reducing Medicare hospital readmission rates
- Expanded medical communication with publication of Clinical Newsletter to multispecialty group practice
- Early emphasis on "outcomes research" , "clinical approach validity"—precursors of "evidence based medicine
- Part-time clinical practice, Rush Anchor Multi-specialty Medical Group Practice

1986-1990 **Rush Health Plans**

- President, Medical Staff, Rush Anchor, 120 physician, multi-specialty group medical practice
- Member Board of Trustees, Rush-Presbyterian St. Luke's Health Plans
- Finance Committee, Rush-Presbyterian St. Luke's Health Plans Board of Trustees
- Corporate Oversight Committee on Credentials, Rush-Presbyterian St. Luke's Health Plans

As Medical Staff President participated in managed care administration as a member of the Executive Committee, attended regular administrative meetings of the line administration and was an active member of the Board of Trustees and committees of the Board

1984-1986 Secretary, Rush Anchor Medical Staff

Professional Associations

American Academy of Family Physicians
Illinois Academy of Family Physicians
Illinois Academy of Family Physician Foundation Board Member
Illinois State Medical Society (Council on Economics)
Illinois Association of Health Plans (Chair, Medical Commission)
American Geriatrics Society
American College of Physician Executives
Institute of Medicine of Chicago
Chicago Asthma Consortium (Advisor to Board)

Certification

Certified by the American Board of Family Medicine, October 1982, Recertified 2002, Recertified 2009
Certificate of Added Qualification in Geriatric Medicine 1988, 1998
Licensed Physician, Illinois 1978
Licensed Physician, Colorado 1983

Post-Graduate Training

1980-1982	Resident, Rush Presbyterian St. Luke's Medical Center - Christ Hospital Family Practice Program, Chicago, Illinois
1977-1978	Resident, Flexible Program, Illinois Masonic Medical Center, Chicago, Illinois
7/75 to 10/75	Clerkship, State University of New York at Buffalo, New York
8/76 to 3/77	Clerkship, State University of New York at Buffalo, New York

Medical Practice Experience

1998-present	Rush University Medical Center
1993-1998	Humana Health Care Plans, Evanston office
1982-1993	Rush-Presbyterian-St. Luke's Medical Center, Rush Anchor 120 physician multi-specialty group medical practice
1978-1980	General Practice, DeKalb, Illinois Northern Illinois University Men's Intercollegiate Sports Physician, Northern Illinois University

Teaching Appointments

1986-Present	Assistant Professor, Rush Medical College, Chicago, Illinois
1982-1986	Instructor, Rush Medical College, Chicago, Illinois
1969-1970	Teaching fellow, Washington University, St. Louis, Missouri

Education (Medical)

1970-1976	Medizinische Universität Graz, (University of Graz Medical School), Graz, Austria - M.D.
1969-1970	Washington University, St.Louis, Missouri, Graduate work in Developmental Biology
1965-1969	University of Illinois, Champaign, Illinois, Bachelor of Arts, Biology

Education (Business)

2002-3	Wharton School of Business, University of Pennsylvania, Executive Education Program
1999	Harvard School of Public Health, Executive Education Program Health Care Strategy
1997	Kellogg School of Business, Northwestern University, Executive Education Program
1994	NCQA Quality Improvement Systems Training. Boston, Mass.
1993	Kellogg School of Business, Northwestern University, Executive Education Program
1990-1994	American College of Physician Executives, PIM I, II and III (Medical Management)
1997	Emerging Role of Hospitalists, Goldman/Wachter, University of California San Francisco

Some Presentations, Publications and Media:

2010 McGraw Hill Family Medicine Board Review Fourth Edition Editor, Chapter One: Cardiovascular

Rush Health 7th Annual Employer Symposium "Health Management Connectivity" Keynote speaker. Rush University Medical Center, Chicago. 2010

CBS.com--EXPERIMENTAL TREATMENTS
TV appearance: Presented the managed care perspective on decision-making for coverage of experimental treatments. At CBS affiliate Chicago, Illinois, 10 p.m. news

ABC http://www.healthsurfing.com/health/2000/02/07/
TV appearance: "Managing Managed Care : The debate over HMOs" produced by Sandy Krawitz, reported by Lucky Severson, story by Shawn O'Leary - "Health Surfing" July 2, 2000

Chicago Public Radio WBEZ http://www.wbez.org/frames.asp?HeaderURL=lvl2hd.htm&BodyURL=search%5Cquery.asp

Do insurance companies have a double standard? Eight Forty-Eight's Victoria Lautman talks with Illinois State Representative Mary Flowers and Dr. Norman Ryan, Chairman, Medical Directors Commission for the Illinois Association of Health Plans, about the lack of health insurance coverage for contraceptives August 12, 1999

PBS Fred Friendly Seminars, National Outreach Program, Bill Kurtis, Moderator
"Who Cares: Chronic Illness in America." Panel discussion, 10/24/01

Centers for Disease Control, Atlanta, 16th Annual Chronic Disease Conference, Presentation: "Successful Strategies in the Dissemination and Diffusion of Health Promotion" 2/27/02

Kellogg School of Management , Northwestern University, Evanston, Illinois Seminar: "Managed Care Strategy" 7/30/03

Kellogg School of Management , Northwestern University, Evanston, Illinois Seminar: "Managed Care Strategy" 7/29/04

University of Illinois School of Public Health. Annual Lecture in Long-Term Care policy course: "Managed Medicare Principles" 1998 forward to date

Kellogg School of Business/Chest Foundation Case Competition Award winning team. May 2008
OpenMic.Health : YouTube type videos about asthma real-life experiences created by young people in community for presentation in health clinic waiting rooms. Using "viral marketing" to spread positive asthma messages through target audiences. Interspersed with public health announcements, community service announcements, select advertising and packaged entertainment

Mentored/Advised team of graduate students from Northwestern Business and Medical Schools in development of sustainable business plan for company with *creative organizational model to provide the informational and behavioral assistance required to substantially increase the identification, education, prevention, and treatment of asthma among underserved populations in Chicago.*

 COMPANY PROFILE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 1-10864

UNITEDHEALTH GROUP®

UnitedHealth Group Incorporated
(Exact name of registrant as specified in its charter)

Minnesota (State or other jurisdiction of incorporation or organization)	**41-1321939** (I.R.S. Employer Identification No.)
UnitedHealth Group Center 9900 Bren Road East Minnetonka, Minnesota (Address of principal executive offices)	**55343** (Zip Code)

(952) 936-1300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

COMMON STOCK, $.01 PAR VALUE (Title of each class)	**NEW YORK STOCK EXCHANGE, INC.** (Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant as of June 30, 2014 was $78,282,268,950 (based on the last reported sale price of $81.75 per share on June 30, 2014, on the New York Stock Exchange), excluding only shares of voting stock held beneficially by directors, executive officers and subsidiaries of the registrant.

As of January 30, 2015, there were 953,695,161 shares of the registrant's Common Stock, $.01 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this report, to the extent not set forth herein, is incorporated by reference from the registrant's definitive proxy statement relating to its 2015 Annual Meeting of Stockholders. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

PART I

ITEM 1. BUSINESS

INTRODUCTION

Overview

UnitedHealth Group is a diversified health and well-being company dedicated to helping people live healthier lives and making the health system work better for everyone. The terms "we," "our," "us," "its," "UnitedHealth Group," or the "Company" used in this report refer to UnitedHealth Group Incorporated and its subsidiaries.

Through our diversified family of businesses, we leverage core competencies in advanced, enabling technology; health care data, information and intelligence; and clinical care management and coordination to help meet the demands of the health system. These core competencies are deployed within our two distinct, but strategically aligned, business platforms: health benefits operating under UnitedHealthcare and health services operating under Optum.

UnitedHealthcare provides health care benefits to an array of customers and markets. UnitedHealthcare Employer & Individual serves employers ranging from sole proprietorships to large, multi-site and national employers, public sector employers, students and other individuals and serves the nation's active and retired military and their families through the TRICARE program. UnitedHealthcare Medicare & Retirement delivers health and well-being benefits for Medicare beneficiaries and retirees. UnitedHealthcare Community & State manages health care benefit programs on behalf of state Medicaid and community programs and their participants. UnitedHealthcare Global (formerly UnitedHealthcare International) includes Amil, a health care company providing health and dental benefits and hospital and clinical services to individuals in Brazil, and other diversified global health businesses.

Optum is a health services business serving the broad health care marketplace, including payers, care providers, employers, governments, life sciences companies and consumers, through its OptumHealth, OptumInsight and OptumRx businesses. These businesses have dedicated units that help improve overall health system performance through optimizing care quality, reducing costs and improving consumer experience and care provider performance across eight business markets: local care delivery, care management, consumer engagement, distribution services, health financial services, operational services and support, health care information technology and pharmacy services.

Through UnitedHealthcare and Optum, in 2014, we managed over $165 billion in aggregate health care spending on behalf of the customers and consumers we serve. Our revenues are derived from premiums on risk-based products; fees from management, administrative, technology and consulting services; sales of a wide variety of products and services related to the broad health and well-being industry; and investment and other income. Our two business platforms have four reportable segments:

- UnitedHealthcare, which includes UnitedHealthcare Employer & Individual, UnitedHealthcare Medicare & Retirement, UnitedHealthcare Community & State and UnitedHealthcare Global;
- OptumHealth;
- OptumInsight; and
- OptumRx.

For our financial results and the presentation of certain other financial information by segment, including revenues and long-lived fixed assets by geographic source, see Note 13 of Notes to the Consolidated Financial Statements included in Part II, Item 8, "Financial Statements."

UnitedHealthcare

UnitedHealthcare's market position is built on:

- national scale;
- strong local market relationships;
- the breadth of product offerings, which are responsive to many distinct market segments in health care;
- service and advanced technology;
- competitive medical and operating cost positions;
- effective clinical engagement;
- extensive expertise in distinct market segments; and
- innovation for customers and consumers.

UnitedHealthcare utilizes the expertise of UnitedHealth Group affiliates for capabilities in specialized areas, such as OptumRx pharmacy benefit products and services, certain OptumHealth care management and local care delivery services and OptumInsight health information and technology solutions, consulting and other services.

In the United States, UnitedHealthcare arranges for discounted access to care through networks that include a total of over 850,000 physicians and other health care professionals and approximately 6,100 hospitals and other facilities.

UnitedHealthcare is subject to extensive government regulation. See further discussion of our regulatory environment below under "Government Regulation" and in Part II, Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations."

UnitedHealthcare Employer & Individual

UnitedHealthcare Employer & Individual offers an array of consumer-oriented health benefit plans and services for large national employers, public sector employers, mid-sized employers, small businesses, individuals and military service members in the TRICARE west region. UnitedHealthcare Employer & Individual provides nearly 29 million Americans access to health care as of December 31, 2014. Large employer groups typically use self-funded arrangements where UnitedHealthcare Employer & Individual earns a service fee. Smaller employer groups and individuals are more likely to purchase risk-based products because they are less willing or unable to bear a greater potential liability for health care expenditures.

Through its risk-based product offerings, UnitedHealthcare Employer & Individual assumes the risk of both medical and administrative costs for its customers in return for a monthly premium, which is typically a fixed rate per individual served for a one-year period. When providing administrative and other management services to customers that elect to self-fund the health care costs of their employees and employees' dependents, UnitedHealthcare Employer & Individual receives a fixed monthly service fee per individual served. These customers retain the risk of financing medical benefits for their employees and employees' dependents, while UnitedHealthcare Employer & Individual provides services such as coordination and facilitation of medical and related services to customers, consumers and health care professionals, administration of transaction processing and access to a contracted network of physicians, hospitals and other health care professionals, including dental and vision.

UnitedHealthcare Employer & Individual also offers a variety of insurance options for purchase by individuals, including students, which are designed to meet the health coverage needs of these consumers and their families. The consolidated purchasing capacity represented by the individuals UnitedHealth Group serves makes it possible for UnitedHealthcare Employer & Individual to contract for cost-effective access to a large number of conveniently located care professionals and facilities.

UnitedHealthcare Employer & Individual typically distributes its products through consultants or direct sales in the larger employer and public sector segments. In the smaller group segment of the commercial marketplace, UnitedHealthcare Employer & Individual's distribution system consists primarily of direct sales and sales through collaboration with brokers and agents. UnitedHealthcare Employer & Individual also distributes products through wholesale agents or agencies that contract with health insurance carriers to distribute individual or group benefits and provide other related services to their customers.

In recent years, UnitedHealthcare Employer & Individual has diversified its model more extensively, distributing through professional employer organizations, associations, private equity relationships and, increasingly, through both multi-carrier and its own proprietary private exchange marketplaces. In 2014, UnitedHealthcare Employer & Individual launched UnitedHealthcare Marketplace, a new shopping platform for employers seeking to offer their employees flexibility and a choice of UnitedHealthcare plans. UnitedHealthcare Employer & Individual is also participating in select multi-plan exchanges that they believe are structured to encourage consumer choice. Direct-to-consumer sales are also supported by participation in multi-carrier health insurance marketplaces for individuals and small groups through exchanges. In 2014, UnitedHealthcare Employer & Individual participated in 13 state public health care exchanges, including four individual and nine small group exchanges. In 2015, we are participating in 23 individual and 12 small group state public exchanges.

UnitedHealthcare Employer & Individual's diverse product portfolio offers a continuum of benefit designs, price points and approaches to consumer engagement, which provide the flexibility to meet the needs of employers of all sizes, as well as individuals shopping for health benefits coverage. UnitedHealthcare Employer & Individual has seen increased demand for consumer driven health plans and new network approaches with lower costs, as well as more convenient care options for consumers. UnitedHealthcare Employer & Individual emphasizes local markets and leverages its national scale to adapt products to meet specific local market needs.

UnitedHealthcare Employer & Individual offers its products through affiliates that are licensed as insurance companies, health maintenance organizations (HMOs), or third-party administrators (TPAs). The market for health benefit products is shifting, with benefit and network offerings shaped, at least in part, by the requirements and effects of the Patient Protection and Affordable Care Act and a reconciliation measure, the Health Care and Education Reconciliation Act of 2010 (together, Health Reform Legislation), employer focus on quality and employee engagement, and the urgent need to align the system around value.

UnitedHealthcare Employer & Individual's major product families include:

Traditional Products. Traditional products include a full range of medical benefits and network options from managed plans, such as Choice and Options PPO, to more traditional indemnity products. The plans offer a full spectrum of covered services, including preventive care, direct access to specialists and catastrophic protection.

Consumer Engagement Products and Tools. Consumer engagement products couple plan design with financial accounts to increase individuals' responsibility for their health and well-being. This suite of products includes high-deductible consumer-driven benefit plans, which include health reimbursement accounts (HRAs), health savings accounts (HSAs) and consumer engagement services such as personalized behavioral incentive programs and consumer education. During 2014, more than 32,000 employer-sponsored benefit plans, including more than 300 employers in the large group self-funded market, purchased HRA or HSA products from us. UnitedHealthcare Employer & Individual's consumer engagement tools support members with access to benefit, cost and quality information through online and mobile applications, such as Advocate4Me, myHealthcare Cost Estimator and Health4Me. Using innovative tools and technology, UnitedHealthcare and Optum's applications are helping people address a broad range of health related issues, including benefits and claims questions, finding the right doctor, proactive support for appointments and issue resolution, health education, clinical program enrollment and treatment decision support.

Value Based Products. UnitedHealthcare Employer & Individual's suite of consumer incentive products increases individual awareness of personal health and care quality and cost for heightened consumer responsibility and behavior change. These products include: Small Business Wellness, which is a packaged

wellness and incentives product that offers gym reimbursement and encourages completion of important wellness activities. For mid-sized clients, SimplyEngaged is a scalable activity-based reward program that ties incentives to completion of health improvement activities, while SimplyEngaged Plus provides richer incentives for achieving health goals. For large, self-funded customers, the UnitedHealthcare Healthy Rewards program offers a flexible incentive design to help employers choose the right activities and include appropriate biometric outcomes that best fit the needs of their employee population. UnitedHealth Personal Rewards leverages a tailored approach to incentives by combining personalized scorecards with financial incentives for improving biometric scores, compliance with key health treatments and preventive care.

Essential Benefits Products. UnitedHealthcare Employer & Individual's portfolio of lower cost products provides value to consumers through innovative plan designs and unique network programs like UnitedHealth Premium®, which guide people to physicians recognized for providing high-quality, cost-efficient care to their patients. This approach to essential benefits is designed to deliver sustainable health care costs for employers, enabling them to continue to offer their employees coverage at more affordable prices. For example, UnitedHealthcare Employer & Individual's tiered benefit plans offer enhanced benefits in the form of greater coinsurance coverage and/or lower copays for people using UnitedHealth Premium® designated care providers.

Clinical and Pharmacy Products. UnitedHealthcare Employer & Individual offers a comprehensive suite of clinical and pharmacy benefits management programs, which complement its service offerings by improving quality of care, engaging members and providing cost-saving options. All UnitedHealthcare Employer & Individual members are provided access to clinical products that help them make better health care decisions and better use of their medical benefits, improving health and decreasing medical expenses.

Each medical plan has a core set of clinical programs embedded in the offering, with additional services available depending on funding type (fully insured or self-funded), line of business (e.g., small business, key accounts, public sector, national accounts and individuals), and clinical need. UnitedHealthcare Employer & Individual's clinical programs include:

- wellness programs;
- decision support;
- utilization management;
- case and disease management;
- complex condition management;
- on-site programs, including Know Your Numbers (biometrics) and flu shots;
- incentives to reinforce positive behavior change;
- mental health/substance use disorder management; and
- employee assistance programs.

UnitedHealthcare Employer & Individual's comprehensive and integrated pharmaceutical management services promote lower costs by using formulary programs to produce better unit costs, encouraging consumers to use drugs that offer improved value and outcomes, and supporting the appropriate use of drugs based on clinical evidence through physician and consumer education programs.

Specialty Offerings. UnitedHealthcare Employer & Individual also delivers dental, vision, life, and disability product offerings through an integrated approach including a network of more than 58,000 vision professionals in private and retail settings, and nearly 75,000 dental offices.

UnitedHealthcare Military & Veterans. UnitedHealthcare Military & Veterans is the provider of health care services for nearly 3 million active duty and retired military service members and their families in 21 states

(West Region) under the Department of Defense's (DoD) TRICARE Managed Care Support contract. The contract began on April 1, 2013, and includes a transition period and five one-year renewals at the government's option.

UnitedHealthcare Military & Veterans' responsibility as a contractor is to augment the military's direct care system by providing managed care support services, provider networks, medical management, claims/enrollment administration and customer service.

UnitedHealthcare Medicare & Retirement

UnitedHealthcare Medicare & Retirement provides health and well-being services to individuals age 50 and older, addressing their unique needs for preventive and acute health care services, as well as services dealing with chronic disease and other specialized issues common among older individuals. UnitedHealthcare Medicare & Retirement is fully dedicated to serving this growing senior market segment, providing products and services in all 50 states, the District of Columbia and most U.S. territories. It has distinct pricing, underwriting, clinical program management and marketing capabilities dedicated to health products and services in this market.

UnitedHealthcare Medicare & Retirement offers a spectrum of risk-based Medicare products that may be purchased by individuals or on a group basis, including Medicare Advantage plans, Medicare Prescription Drug Benefit (Medicare Part D) and Medicare Supplement products that extend and enhance traditional fee-for-service coverage. UnitedHealthcare Medicare & Retirement services include care management and clinical management programs, a nurse health line service, 24-hour access to health care information, access to discounted health services from a network of care providers and administrative services.

Premium revenues from the Centers for Medicare & Medicaid Services (CMS) represented 29% of UnitedHealth Group's total consolidated revenues for the year ended December 31, 2014, most of which were generated by UnitedHealthcare Medicare & Retirement.

UnitedHealthcare Medicare & Retirement has extensive distribution capabilities and experience, including direct marketing to consumers on behalf of its key clients: AARP, the nation's largest membership organization dedicated to the needs of people age 50 and over, and state and U.S. government agencies. Products are also offered through employer groups and agent channels.

UnitedHealthcare Medicare & Retirement's major product categories include:

Medicare Advantage. UnitedHealthcare Medicare & Retirement provides health care coverage for seniors and other eligible Medicare beneficiaries primarily through the Medicare Advantage program administered by CMS, including Medicare Advantage HMO plans, preferred provider organization (PPO) plans, Point-of-Service plans, Private-Fee-for-Service plans and Special Needs Plans (SNPs). Under the Medicare Advantage program, UnitedHealthcare Medicare & Retirement provides health insurance coverage in exchange for a fixed monthly premium per member from CMS and in some cases consumer premiums. Premium amounts received from CMS vary based on the geographic areas in which members reside; demographic factors such as age, gender, and institutionalized status; and the health status of the individual. UnitedHealthcare Medicare & Retirement had approximately 3 million people enrolled in its Medicare Advantage products as of December 31, 2014.

Medicare Advantage plans are designed to compete at the local level, taking into account member and care provider preferences, competitor offerings, our historical financial results, our quality and cost initiatives and the long-term payment rate outlook for each geographic area. Starting in 2012, and phased in through 2017, the Medicare Advantage rate structure and quality rating bonuses are changing significantly. See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information.

UnitedHealthcare Medicare & Retirement offers innovative care management, disease management and other clinical programs, integrating federal, state and personal funding through its continuum of Medicare Advantage

products. For high-risk patients in certain care settings and programs, UnitedHealthcare Medicare & Retirement uses proprietary, automated medical record software that enables clinical care teams to capture and track patient data and clinical encounters, creating a comprehensive set of care information that bridges across home, hospital and nursing home care settings. Proprietary predictive modeling tools help identify members at high risk and allow care managers to reach out to those members and create individualized care plans that help them obtain the right care, in the right place, at the right time.

Medicare Part D. UnitedHealthcare Medicare & Retirement provides Medicare Part D benefits to beneficiaries throughout the United States and its territories through its Medicare Advantage and stand-alone Medicare Part D plans. UnitedHealthcare Medicare & Retirement offers two stand-alone Medicare Part D plans: the AARP MedicareRx Preferred and the AARP MedicareRx Saver Plus plans. The stand-alone Medicare Part D plans address a large spectrum of beneficiaries' needs and preferences for their prescription drug coverage, including low cost prescription options. Each of the plans includes the majority of the drugs covered by Medicare and provides varying levels of coverage to meet the diverse needs of Medicare beneficiaries. As of December 31, 2014, UnitedHealthcare enrolled approximately 8 million people in the Medicare Part D programs, including more than 5 million individuals in the stand-alone Medicare Part D plans and approximately 3 million in Medicare Advantage plans incorporating Medicare Part D coverage.

Medicare Supplement. UnitedHealthcare Medicare & Retirement is currently serving more than 4 million seniors through various Medicare Supplement products in association with AARP. UnitedHealthcare Medicare & Retirement offers plans in all 50 states, the District of Columbia, and most U.S. territories. UnitedHealthcare Medicare & Retirement offers a full range of supplemental products at diverse price points. These products cover the various levels of coinsurance and deductible gaps that seniors are exposed to in the traditional Medicare program.

UnitedHealthcare Community & State

UnitedHealthcare Community & State is dedicated to serving state programs that care for the economically disadvantaged, the medically underserved and those without the benefit of employer-funded health care coverage, in exchange for a monthly premium per member from the state program. In some cases, these premiums are subject to experience or risk adjustments. UnitedHealthcare Community & State's primary customers oversee Medicaid plans, Children's Health Insurance Programs (CHIP), SNPs, integrated Medicare-Medicaid plans (MMP) and other federal, state and community health care programs. As of December 31, 2014, UnitedHealthcare Community & State participated in programs in 24 states and the District of Columbia, and served more than 5 million beneficiaries. Health Reform Legislation provided for optional Medicaid expansion effective January 1, 2014. For 2015, 13 of our state customers have elected to expand Medicaid, an increase of one state since 2014. For further discussion of the Medicaid expansion under Health Reform Legislation, see Part II, Item 7, "Management Discussion and Analysis of Financial Condition and Results of Operations."

States using managed care services for Medicaid beneficiaries select health plans by using a formal bid process or by awarding individual contracts. A number of factors are considered by UnitedHealthcare Community & State when choosing programs for participation including the state's commitment and consistency of support for its Medicaid managed care program in terms of service, innovation and funding; the eligible population base, both immediate and long term; and the structure of the projected program. UnitedHealthcare Community & State works with its state customers to advocate for actuarially sound rates that are commensurate with medical cost trends.

The primary categories of eligibility for the programs served by UnitedHealthcare Community & State and our participation are:

- Temporary Assistance to Needy Families, primarily women and children – 21 markets;
- CHIP – 21 markets;

- Aged, Blind and Disabled (ABD) – 16 markets;
- SNP – 14 markets;
- Medicaid Expansion – 13 markets;
- Long-Term Services and Supports (LTSS) – 12 markets;
- other programs (e.g., developmentally disabled, rehabilitative services) – 6 markets
- childless adults programs for the uninsured – 4 markets; and
- MMP – 1 market.

These health plans and care programs offered are designed to address the complex needs of the populations they serve, including the chronically ill, those with disabilities and people with a higher risk of medical, behavioral and social conditions. UnitedHealthcare Community & State administers benefits for the unique needs of children, pregnant women, adults, seniors and those who are institutionalized or are nursing home eligible. They often live in areas that are medically underserved and are less likely to have a consistent relationship with the medical community or a care provider. These individuals also tend to face significant social and economic challenges.

UnitedHealthcare Community & State leverages the national capabilities of UnitedHealth Group locally, supporting effective care management, strong regulatory partnerships, greater administrative efficiency, improved clinical outcomes and the ability to adapt to a changing national and local market environment. UnitedHealthcare Community & State coordinates resources among family, physicians, other health care providers, and government and community-based agencies and organizations to facilitate continuous and effective care.

The LTSS market represents only 6% of the total Medicaid population, yet accounts for more than 30% of total Medicaid expenditures. The LTSS population is made up of over 4 million individuals who qualify for additional benefits under LTSS programs who represent a subset of the more than 16 million ABD Americans. Currently, only one-quarter of the ABD population and approximately 20% of the LTSS eligible population are served by managed care programs. States are increasingly looking for solutions to not only help control costs, but to improve quality for the complex medical challenges faced by this population and are moving with greater speed to managed care programs.

There are more than 9 million individuals eligible for both Medicare and Medicaid. This group has historically been referred to as dually eligible or MMP. MMP beneficiaries typically have complex conditions with costs of care that are far higher than typical Medicare or Medicaid beneficiaries. While these individuals' health needs are more complex and more costly, they have been historically served in unmanaged environments. This market provides UnitedHealthcare an opportunity to integrate Medicare and Medicaid funding and improve people's health status through close coordination of care.

Total annual expenditures for MMPs are estimated at more than $390 billion, or approximately 13% of the total health care costs in the United States. As of December 31, 2014, UnitedHealthcare served more than 315,000 people with complex conditions similar to those in an MMP population in legacy programs through Medicare Advantage dual SNPs. As of December 31, 2014, UnitedHealthcare Community & State had been awarded new MMP business taking effect in 2015 in Ohio and Texas.

UnitedHealthcare Global

UnitedHealthcare Global participates in international markets through national "in country" and cross-border strategic approaches. UnitedHealthcare Global's cross-border health care business provides comprehensive health benefits, care management and care delivery for multinational employers, governments and individuals

around the world. UnitedHealthcare Global's goal is to create business solutions that are based on local infrastructure, culture and needs, and that blend local expertise with experiences from the U.S. health care industry. As of December 31, 2014, UnitedHealthcare Global provided medical benefits to more than 4 million people, principally in Brazil, but also residing in more than 125 other countries.

Amil. Amil provides health and dental benefits to nearly 7 million people. Amil operates more than 30 acute hospitals and approximately 50 specialty, primary care and emergency services clinics across Brazil, principally for the benefit of its members. Amil's patients are also treated in its contracted provider network of nearly 27,000 physicians and other health care professionals, approximately 2,100 hospitals and more than 7,600 laboratories and diagnostic imaging centers. Amil offers a diversified product portfolio with a wide range of product offerings, benefit designs, price points and value, including indemnity products. Amil's products include various administrative services such as network access and administration, care management and personal health services and claims processing.

Other Operations. UnitedHealthcare Global includes other diversified global health services operations with a variety of offerings for international customers, including:

- network access and care coordination in the United States and overseas;
- TPA products and services for health plans and TPAs;
- brokerage services;
- practice management services for care providers;
- government and corporate consulting services for improving quality and efficiency; and
- global expatriate insurance solutions.

Optum

Optum is a health services business serving the broad health care marketplace, including:

- Those who need care: the consumers who need the right support, information, resources and products to achieve their health goals.
- Those who provide care: pharmacies, physicians' practices, hospitals and clinical facilities seeking to modernize the health system and support the best possible patient care and experience.
- Those who pay for care: insurers, employers and government agencies devoted to ensuring the populations they sponsor receive high-quality care, administered and delivered efficiently.
- Those who innovate for care: life sciences and research focused organizations dedicated to developing more effective approaches to care, enabling technologies and medicines that improve care delivery and health outcomes.

Using advanced data analytics and technology, Optum helps improve overall health system performance by optimizing care quality, reducing costs and improving the consumer experience and care provider performance. Optum is organized in three reportable segments:

- OptumHealth focuses on care delivery, care management, consumer engagement, distribution and health financial services;
- OptumInsight delivers operational services and support and health information technology services; and
- OptumRx specializes in pharmacy services.

OptumHealth

OptumHealth is a diversified health and wellness business serving the physical, emotional and financial needs of more than 63 million unique individuals. OptumHealth enables population health management through programs offered by employers, payers, government entities and, increasingly, directly with the care delivery system. OptumHealth products and services deliver value by improving quality and patient satisfaction while lowering cost. OptumHealth works to optimize the care delivery system through the creation of high-performing networks and centers of excellence across the care continuum, by working directly with physicians to advance population health management and by focusing on caring for the most medically complex patients.

OptumHealth offers its products on a risk basis, where it assumes responsibility for health care costs in exchange for a monthly premium per individual served, and on an administrative fee basis, under which it manages or administers delivery of the products or services in exchange for a fixed fee per individual served. For its financial services offerings, OptumHealth charges fees and earns investment income on managed funds.

OptumHealth sells its products primarily through its direct sales force, strategic collaborations and external producers in three markets: employers (which includes the sub-markets of large, mid-sized and small employers), payers (which includes the sub-markets of health plans, TPAs, underwriter/stop-loss carriers and individual market intermediaries) and government entities (which includes states, CMS, DoD, the Veterans Administration and other federal procurement agencies). As provider reimbursement models evolve, care providers are emerging as a fourth market for the health management, financial services and local care delivery businesses.

OptumHealth is organized into two major operating groups: Collaborative Care and Consumer Solutions Group (CSG).

Collaborative Care. Collaborative Care's major product offerings include local care delivery, complex population management and mobile care delivery.

- Local Care Delivery. Local care delivery serves patients through a collaborative network of care providers aligned around total population health management and outcomes-based reimbursement. Within its local care delivery systems, OptumHealth works directly with medical groups and Independent Practice Associations to deploy a core set of technology, risk management, analytical and clinical capabilities and tools to assist physicians in delivering high-quality care across the populations they serve. OptumHealth is directly affiliated with clinics and physicians who provided care to more than 2 million patients in 2014.
- Complex Population Management. Complex population management services focus on improving care for patients with very challenging medical conditions by providing the optimal care in the most appropriate setting. Complex population management is focused on building and executing integrated solutions for payers, governmental agencies, accountable care organizations and provider groups for the highest cost patient segment of the health care system with focus on optimizing patient outcomes, quality and cost effectiveness. In addition, complex population management provides hospice services in 17 markets in the United States.
- Mobile Care Delivery. OptumHealth's mobile care delivery business provides occupational health, medical and dental readiness services, treatments and immunization programs. These solutions serve a number of government and commercial clients including the U.S. military.

CSG. CSG includes population health management services, specialty networks, distribution and financial services products.

- Population Health Management Services: OptumHealth serves nearly 38 million people through population health management services, including care management, complex conditions (e.g., cancer, neonatal and maternity), health and wellness and advocacy decision support solutions.

- Specialty Networks. Within specialty networks, OptumHealth serves more than 57 million people by offering them access to proprietary networks of provider specialists in the areas of behavioral health management (e.g., mental health, substance abuse), chiropractic, physical therapy, transplant, infertility, kidney and end stage renal disease.
- Distribution: This business provides health exchange capabilities to help payers, market aggregators and employers meet the needs of the consumers they serve. OptumHealth provides call center support, multi-modal communications software, data analysis and trained nurses that help clients acquire, retain and service large populations of health care consumers.
- Financial Services: This business serves the health financial needs of individuals, employers, health care professionals and payers. OptumHealth is a leading provider of consumer health care accounts. OptumHealth also offers electronic payment solutions to manage compliance and improve the administrative efficiency of electronic claim payments. As of December 31, 2014, Financial Services and its wholly owned subsidiary, Optum Bank, had $2.8 billion in customer assets under management and during 2014 processed $85 billion in medical payments to physicians and other health care providers.

OptumInsight

OptumInsight provides technology, operational and consulting services to participants in the health care industry. Hospital systems, physician practices, commercial health plans, government agencies, life sciences companies and other organizations that constitute the health care system use OptumInsight to help them reduce costs, meet compliance mandates, improve clinical performance, achieve efficiency and modernize their core operating systems to meet the changing needs of the health system landscape.

Many of OptumInsight's software and information products, advisory consulting arrangements and outsourcing contracts are delivered over an extended period, often several years. OptumInsight maintains an order backlog to track unearned revenues under these long-term arrangements. The backlog consists of estimated revenue from signed contracts, other legally binding agreements and anticipated contract renewals based on historical experience that either have not started but are anticipated to begin in the near future, or are in process and have not been completed. OptumInsight's aggregate backlog at December 31, 2014, was $8.6 billion, of which $4.8 billion is expected to be realized within the next 12 months. This includes $2.9 billion related to intersegment agreements, all of which are included in the current portion of the backlog. OptumInsight's aggregate backlog at December 31, 2013, adjusted for the January 1, 2014 business realignment discussed in Note 13 of Notes to Consolidated Financial Statements included in Part II, Item 8, "Financial Statements," was $7.5 billion including $2.7 billion related to intersegment agreements. The increase in 2014 backlog was attributable to a revenue management services acquisition and general business growth, partially offset by services performed on existing contracts. OptumInsight cannot provide any assurance that it will be able to realize all of the revenues included in the backlog due to uncertainties with regard to the timing and scope of services and the potential for cancellation, non-renewal or early termination of service arrangements.

OptumInsight's products and services are sold primarily through a direct sales force. OptumInsight's products are also supported and distributed through an array of alliances and business partnerships with other technology vendors, who integrate and interface OptumInsight's products with their applications.

OptumInsight provides capabilities targeted to the needs of four primary market segments: care providers (e.g., physician practices and hospitals), payers, governments and life sciences organizations.

Care Providers. Serving four out of five U.S. hospitals and tens of thousands of physician practices, OptumInsight provides capabilities that help drive financial performance, meet compliance requirements and deliver health intelligence. OptumInsight's offerings in clinical workflow software, revenue management tools and services, health IT and analytics help hospitals and physician practices improve patient outcomes, strengthen financial performance and meet quality measurement and compliance requirements, as well as transition to new collaborative and value based business models.

Payers. OptumInsight serves approximately 300 health plans by helping them improve operational and administrative efficiency, meet clinical performance and compliance goals, develop strong provider networks, manage risk and drive growth. OptumInsight also helps payer clients adapt to new market models, including health insurance exchanges, consumer driven health care and engagement, pay-for-value contracting and population health management.

Governments. OptumInsight provides services to government agencies across 36 states and the District of Columbia. Services include financial management and program integrity services, policy and compliance consulting, data and analytics technology, systems integration and expertise to improve medical quality, access and costs.

Life Sciences. OptumInsight's Life Sciences business provides services to more than 200 global life sciences organizations. OptumInsight's services use real-world evidence to support market access and positioning of products, provide insights into patient reported outcomes and optimize and manage risk.

OptumRx

OptumRx provides a full spectrum of pharmacy benefit management (PBM) services to more than 30 million Americans nationwide, managing more than $40 billion in pharmaceutical spending annually and processing nearly 600 million adjusted retail, home delivery and specialty drug prescriptions annually. OptumRx's PBM services deliver a low cost, high-quality pharmacy benefit through retail network contracting services, home delivery and specialty pharmacy services, manufacturer rebate contracting and management and a variety of clinical programs such as step therapy, formulary management, drug adherence and disease and drug therapy management programs. As of December 31, 2014, OptumRx's network included more than 67,000 retail pharmacies and two home delivery pharmacy facilities in California and Kansas.

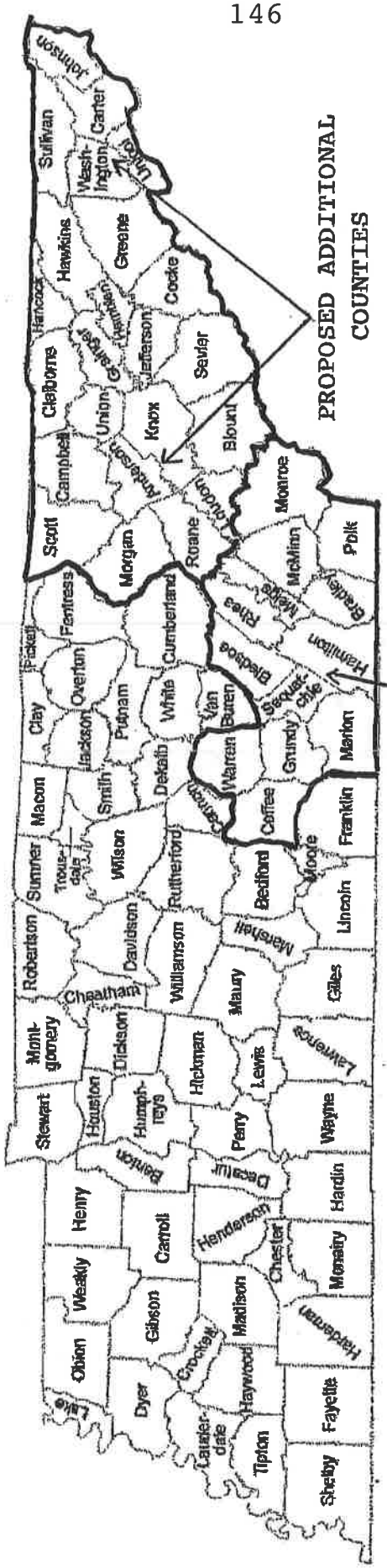
The home delivery and specialty pharmacy fulfillment capabilities of OptumRx are an important strategic component of its business, providing patients with convenient access to maintenance medications, offering a broad range of complex drug therapies and patient management services for individuals with chronic health conditions and enabling OptumRx to help consumers achieve optimal health, while maximizing cost savings.

OptumRx provides PBM services to a substantial majority of UnitedHealthcare members. Additionally, OptumRx manages specialty pharmacy benefits across nearly all of UnitedHealthcare's businesses with services including patient support and clinical programs designed to ensure quality and deliver value for consumers. This is crucial in managing overall drug spend, as biologics and other specialty medications are the fastest growing pharmacy expenditures. OptumRx also provides PBM services to non-affiliated external clients, including public and private sector employer groups, insurance companies, Taft-Hartley Trust Funds, TPAs, managed care organizations (MCOs), Medicare-contracted plans, Medicaid plans and other sponsors of health benefit plans and individuals throughout the United States. OptumRx's distribution system consists primarily of health insurance brokers and other health care consultants and direct sales.

GOVERNMENT REGULATION

Most of our health and well-being businesses are subject to comprehensive federal, state and international laws and regulations. We are regulated by federal, state and international regulatory agencies that generally have discretion to issue regulations and interpret and enforce laws and rules. The regulations can vary significantly from jurisdiction to jurisdiction, and the interpretation of existing laws and rules also may change periodically. Domestic and international governments continue to enact and consider various legislative and regulatory proposals that could materially impact certain aspects of the health care system. New laws, regulations and rules, or changes in the interpretation of existing laws, regulations and rules, including as a result of changes in the political climate, could adversely affect our business.

C, Need--3
Service Area Maps



ALERE WOMEN'S AND CHILDREN'S HEALTH / HAMILTON COUNTY

CURRENT AND PROPOSED SERVICE AREA

C, Economic Feasibility--2
Documentation of Availability of Funding

11000 Optum Circle
Eden Prairie, MN 55344
www.optum.com

November 30, 2015

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, 9th Floor
500 Deaderick Street
Nashville, Tennessee 37243

RE: CON Application to Add Service Area Counties
Alere Women's and Children's Health, LLC – Hamilton County

Dear Mrs. Hill:

Alere Women's and Children's Health, LLC has filed a Certificate of Need Application to expand the service area of its Hamilton County home healthcare agency. The estimated cost to implement the project is $80,600.

Alere Women's and Children's Health, LLC is wholly owned by Alere Health, LLC, which is wholly owned by OptumHealth Care Solutions, Inc. (part of OptumHealth), which is ultimately wholly owned by UnitedHealth Group, a publicly traded company.

I am writing to confirm that the project's cost will be funded entirely by a cash transfer to the applicant through the organizational chain described above. As Chief Financial Officer of OptumHealth Care Solutions, Inc., I am authorized to make that commitment. The availability of sufficient cash is shown in financial statements in the attached UnitedHealth Group's Security and Exchange Commission filings on Form 10-K for the year ended December 31, 2014 and Form 10-Q for the quarter ended June 30, 2015.

Sincerely,

Joel Costa
OptumHealth CFO

C, Economic Feasibility--10
Financial Statements

UnitedHealth Group
Consolidated Balance Sheets

(in millions, except per share data)	December 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 7,495	$ 7,276
Short-term investments	1,741	1,937
Accounts receivable, net of allowances of $260 and $196	4,252	3,052
Other current receivables, net of allowances of $156 and $169	5,498	3,998
Assets under management	2,962	2,757
Deferred income taxes	556	430
Prepaid expenses and other current assets	1,052	930
Total current assets	23,556	20,380
Long-term investments	18,827	19,605
Property, equipment and capitalized software, net of accumulated depreciation and amortization of $2,954 and $2,675	4,418	4,010
Goodwill	32,940	31,604
Other intangible assets, net of accumulated amortization of $2,685 and $2,283	3,669	3,844
Other assets	2,972	2,439
Total assets	$86,382	$81,882
Liabilities and shareholders' equity		
Current liabilities:		
Medical costs payable	$12,040	$11,575
Accounts payable and accrued liabilities	9,247	7,458
Other policy liabilities	5,965	5,279
Commercial paper and current maturities of long-term debt	1,399	1,969
Unearned revenues	1,972	1,600
Total current liabilities	30,623	27,881
Long-term debt, less current maturities	16,007	14,891
Future policy benefits	2,488	2,465
Deferred income taxes	2,065	1,796
Other liabilities	1,357	1,525
Total liabilities	52,540	48,558
Commitments and contingencies (Note 12)		
Redeemable noncontrolling interests	1,388	1,175
Shareholders' equity:		
Preferred stock, $0.001 par value — 10 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.01 par value — 3,000 shares authorized; 954 and 988 issued and outstanding	10	10
Retained earnings	33,836	33,047
Accumulated other comprehensive loss	(1,392)	(908)
Total shareholders' equity	32,454	32,149
Total liabilities and shareholders' equity	$86,382	$81,882

See Notes to the Consolidated Financial Statements

UnitedHealth Group
Consolidated Statements of Operations

(in millions, except per share data)	For the Years Ended December 31, 2014	2013	2012
Revenues:			
Premiums	$115,302	$109,557	$ 99,728
Services	10,151	8,997	7,437
Products	4,242	3,190	2,773
Investment and other income	779	745	680
Total revenues	130,474	122,489	110,618
Operating costs:			
Medical costs	93,257	89,290	80,226
Operating costs	21,681	19,362	17,306
Cost of products sold	3,784	2,839	2,523
Depreciation and amortization	1,478	1,375	1,309
Total operating costs	120,200	112,866	101,364
Earnings from operations	10,274	9,623	9,254
Interest expense	(618)	(708)	(632)
Earnings before income taxes	9,656	8,915	8,622
Provision for income taxes	(4,037)	(3,242)	(3,096)
Net earnings	5,619	5,673	5,526
Earnings attributable to noncontrolling interests	—	(48)	—
Net earnings attributable to UnitedHealth Group common shareholders	$ 5,619	$ 5,625	$ 5,526
Earnings per share attributable to UnitedHealth Group common shareholders:			
Basic	$ 5.78	$ 5.59	$ 5.38
Diluted	$ 5.70	$ 5.50	$ 5.28
Basic weighted-average number of common shares outstanding	972	1,006	1,027
Dilutive effect of common share equivalents	14	17	19
Diluted weighted-average number of common shares outstanding	986	1,023	1,046
Anti-dilutive shares excluded from the calculation of dilutive effect of common share equivalents	6	8	17
Cash dividends declared per common share	$ 1.4050	$ 1.0525	$ 0.8000

See Notes to the Consolidated Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2015

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number: 1-10864

UNITEDHEALTH GROUP®

UnitedHealth Group Incorporated

(Exact name of registrant as specified in its charter)

Minnesota	**41-1321939**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
UnitedHealth Group Center 9900 Bren Road East Minnetonka, Minnesota	**55343**
(Address of principal executive offices)	**(Zip Code)**

(952) 936-1300

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2015, there were 951,904,261 shares of the registrant's Common Stock, $.01 par value per share, issued and outstanding.

PART I

ITEM 1. FINANCIAL STATEMENTS

UnitedHealth Group
Condensed Consolidated Balance Sheets
(Unaudited)

(in millions, except per share data)	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 8,650	$ 7,495
Short-term investments	1,780	1,741
Accounts receivable, net	5,040	4,252
Other current receivables, net	5,346	5,498
Assets under management	2,921	2,962
Deferred income taxes	405	556
Prepaid expenses and other current assets	2,632	1,052
Total current assets	26,774	23,556
Long-term investments	19,416	18,827
Property, equipment and capitalized software, net	4,245	4,418
Goodwill	32,782	32,940
Other intangible assets, net	3,441	3,669
Other assets	3,061	2,972
Total assets	$89,719	$86,382
Liabilities and shareholders' equity		
Current liabilities:		
Medical costs payable	$13,537	$12,040
Accounts payable and accrued liabilities	10,518	9,247
Other policy liabilities	6,392	5,965
Commercial paper and current maturities of long-term debt	2,797	1,399
Unearned revenues	1,734	1,972
Total current liabilities	34,978	30,623
Long-term debt, less current maturities	15,577	16,007
Future policy benefits	2,483	2,488
Deferred income taxes	2,056	2,065
Other liabilities	1,295	1,357
Total liabilities	56,389	52,540
Commitments and contingencies (Note 9)		
Redeemable noncontrolling interests	1,452	1,388
Shareholders' equity:		
Preferred stock, $0.001 par value — 10 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.01 par value — 3,000 shares authorized; 952 and 954 issued and outstanding	10	10
Retained earnings	34,153	33,836
Accumulated other comprehensive loss	(2,285)	(1,392)
Total shareholders' equity	31,878	32,454
Total liabilities and shareholders' equity	$89,719	$86,382

See Notes to the Condensed Consolidated Financial Statements

UnitedHealth Group
Condensed Consolidated Statements of Operations
(Unaudited)

(in millions, except per share data)	Three Months Ended March 31, 2015	2014
Revenues:		
Premiums	$31,674	$28,115
Services	2,706	2,404
Products	1,230	998
Investment and other income	146	191
Total revenues	35,756	31,708
Operating costs:		
Medical costs	25,689	23,208
Operating costs	5,949	5,194
Cost of products sold	1,100	892
Depreciation and amortization	378	360
Total operating costs	33,116	29,654
Earnings from operations	2,640	2,054
Interest expense	(150)	(160)
Earnings before income taxes	2,490	1,894
Provision for income taxes	(1,077)	(795)
Net earnings	$ 1,413	$ 1,099
Earnings per share:		
Basic	$ 1.48	$ 1.12
Diluted	$ 1.46	$ 1.10
Basic weighted-average number of common shares outstanding	954	983
Dilutive effect of common share equivalents	15	13
Diluted weighted-average number of common shares outstanding	969	996
Anti-dilutive shares excluded from the calculation of dilutive effect of common share equivalents	9	9
Cash dividends declared per common share	$0.3750	$0.2800

See Notes to the Condensed Consolidated Financial Statements

UnitedHealth Group
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions)	Three Months Ended March 31, 2015	2014
Net earnings	$ 1,413	$ 1,099
Other comprehensive (loss) income:		
Gross unrealized gains on investment securities during the period	105	166
Income tax effect	(37)	(61)
Total unrealized gains, net of tax	68	105
Gross reclassification adjustment for net realized gains included in net earnings	(3)	(46)
Income tax effect	1	17
Total reclassification adjustment, net of tax	(2)	(29)
Total foreign currency translation (losses) gains	(959)	259
Other comprehensive (loss) income	(893)	335
Comprehensive income	$ 520	$ 1,434

See Notes to the Condensed Consolidated Financial Statements

C, Orderly Development--7(C)
Licensing & Accreditation Inspections

STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
5904 LYONS VIEW PIKE
KNOXVILLE, TENNESSEE 37919

October 1, 2013

Administrator
Alere Women's and Children's Health, LLC
651 East Fourth Street, Suite 100
Chattanooga, TN 37403

Re: License Number 457

Dear Administrator:

The East Tennessee Regional Office conducted a licensure survey at your facility on September 24, 2013. As a result of the survey, no deficient practice was found.

If our office may be of assistance to you, please feel free to call (865) 588-5656.

Sincerely,

Karen B Kirby/dt

Karen B. Kirby, RN
Regional Administrator

KBK/dt

Enclosure

sion of Health Care Facilities

EMENT OF DEFICIENCIES PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:	(X2) MULTIPLE CONSTRUCTION	(X3) DATE SURVEY COMPLETED
	TNHL013	A. BUILDING: _____ _____ B. WING _____ _____	09/24/2013

E OF PROVIDER OR SUPPLIER	STREET ADDRESS, CITY, STATE ZIP CODE
RE WOMEN'S AND CHILDREN'S HEALTH,	651 EAST FOURTH STREET SUITE 100 CHATTANOOGA, TN 37403

) ID EFIX \G	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
I 002	1200-8-26 No Deficiencies. A licensure survey was conducted at Alere Women's and Children's Health, LLC on September 24, 2013. No deficiencies were cited under 1200-8-26 Standards for Homecare Organizations Providing Home Health Services.	H 002		

on of Health Care Facilities
RATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE | TITLE | (X6) DATE

The Joint Commission

Alere Women's and Children's Health, LLC
3200 Windy Hill Road, Suite B-100
Atlanta, GA 30339

Organization Identification Number: 436425

Evidence of Standards Compliance (60 Day) Submitted: 7/11/2013

Program(s)
Home Care Accreditation

Executive Summary

Home Care Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission
Summary of Compliance

Program	Standard	Level of Compliance
OME	EM.03.01.03	Compliant
OME	IM.02.01.01	Compliant
OME	MM.05.01.09	Compliant

Evaluation of Alere compared to Alere's Mission

1. Excellent care coordination between field and call center
2. Sharing of information between regions
3. Positive comments from patients regarding field nurses and call center staff
4. Competency of co-travel (suggested we submit as a best practice)
5. Effectiveness of contracted central pharmacy
6. Coordination of care between the pharmacy (contract agency) and home care organization
7. Illinois manager participated in survey despite personal loss
8. Ability of patient to provide therapy on an ongoing basis (patients are being provided the tools for self- management)
9. Teaching/follow-up tools provided to patients for self-management

The Joint Commission

Alere Women's and Children's Health, LLC
3200 Windy Hill Road, Suite B-100
Atlanta, GA 30339

Organization Identification Number: 436425

Program(s)
Home Care Accreditation

Survey Date(s)
05/07/2013-05/07/2013, 05/08/2013-05/10/2013, 05/13/2013-05/14/2013, 05/16/2013-05/16/2013, 05/22/2013-05/22/2013

Executive Summary

Home Care Accreditation :

As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission
Summary of Findings

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Home Care Accreditation Program	
Standards:	PC.02.01.01	EP2

Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Home Care Accreditation Program	
Standards:	EM.03.01.03	EP1
	IM.02.01.01	EP2
	MM.05.01.09	EP2

The Joint Commission
Findings

Chapter: Emergency Management

Program: Home Care Accreditation

Standard: EM.03.01.03 ESC 60 days

Standard Text: The organization evaluates the effectiveness of its Emergency Operations Plan.

Primary Priority Focus Area: Communication

Element(s) of Performance:

1. The organization activates its Emergency Operations Plan once a year at each site included in the plan, either in response to an actual emergency or as a planned exercise.
Note: Planned exercises should focus on the organization's response to an emergency that is likely to affect continuation of care, treatment, or services. Exercises do not need to be conducted in each community served by the organization but should be based on a regional or county response strategy where applicable. Exercises that involve substitutes for patients (such as pillows, bundles, mannequins, or live volunteers) are acceptable.

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 1
Observed in Document Review at Alere Women's and Children's Health, LLC (6525 E 82nd St. Suite 101, Indianapolis, IN) site.
During the document review the home care surveyor observed the organization did not include patients or a substitute for patients in its 2012 emergency operations drill. The drill's activity was a bomb threat to the home care office building. DIscussion with leadership confirmed the scope of the drill did not include its patients or field staff.

Chapter: Information Management

Program: Home Care Accreditation

Standard: IM.02.01.01 ESC 60 days

Standard Text: The organization protects the privacy of health information.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

2. The organization implements its policy on the privacy of health information. (See also RI.01.01.01, EP 7)

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission
Findings

EP 2
Observed in Tracer Visit at Alere Women's and Children's Health, LLC (877 Franklin Rd. Suite 205, Marietta, GA) site.
During tracer visit #4 to a patient receiving initiation of infusion services for hydration and SQ Ondensatron the surveyor observed the skilled nurse place the outer wrapper of the infusion bag for D5/LR into a box to be placed in the trash. The bag wrapper contained the prescription label with the patient's name, infusion instructions, physician, etc. Review of agency policies HIPAA 15.1 and QI-017 indicated that processes were in place to protect the privacy of PHI from unauthorized or inappropriate use by discarding in a container for shredding.

Observed in Individual Tracer at Alere of New York, Inc. (19-02 Whitestone Expressway #402, Whitestone, NY) site.
At a Whitestone home visit to initiate continuous SQ Ondansetron therapy a loading dose was administered IM. The skilled nurse used the zip lock bag that had housed the medication for the loading dose as her "garbage bag" for alcohol preps, paper ,etc. The zip lock bag contained the medication label as well as patient information. This bag was then to be placed in the garbage. Organization policies indicated that processes were in place to protect PHI information though not implemented on this visit.

Chapter: Medication Management

Program: Home Care Accreditation

Standard: MM.05.01.09 ESC 60 days

Standard Text: Medications are labeled.
Note: This standard is applicable to all organizations that prepare and administer medications.

Primary Priority Focus Area: Medication Management

Element(s) of Performance:

2. Information on medication labels is displayed in a standardized format, in accordance with law and regulation and standards of practice.

Scoring
Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission
Findings

EP 2
Observed in Tracer Visit at Alere Women's and Children's Health, LLC (877 Franklin Rd. Suite 205, Marietta, GA) site.
During tracer visit #1 to a new patient for setup of SQ Ondansetron infusion it was noted that the labels on three pre-filled medication syringes did not contain an expiration date for the medication contained in the syringes. These pre-filled syringes were prepared at the local Smyrna, Ga. Pharamerica pharmacy and delivered to the patient for use for first dose. The outer bag which contained the pre-filled syringes also did not contain an expiration date for the medication. The nurse did not administer this medication and it was destroyed. The patient received the prescribed dose of medication from another bag of medication which was issued by the main Pharmerica pharmacy that was correctly labeled. Additionally, there were no lot numbers on either the syringe labels or the packaging labels. Review of the syringes from the main pharmacy included expiration dates and lot numbers.

Observed in Tracer Visit at Alere Women's and Children's Health, LLC (877 Franklin Rd. Suite 205, Marietta, GA) site.
During tracer visit #4 it was noted that for this patient receiving infusion hydration services the outer packaging of the IV bag was labeled with the patient's name, rx. number, infusion instructions, physician, etc. however the bag actual bag of D5/LR solution was hung and infusing without a label. Review of a Pharmarica generated memo presented by leadership stated that IV bags were to be removed from the outer packaging and the label was to be applied to the actual bag by the local pharmacy prior to delivery. The leadership stated that the local pharmacy that prepared the IV delivery for this patient was a relatively new affiliate Pharmarica pharmacy and may have been unaware of the process identified in the memo.

Chapter: Provision of Care, Treatment, and Services

Program: Home Care Accreditation

Standard: PC.02.01.01 ESC 45 days

Standard Text: The organization provides care, treatment, or services for each patient.

Primary Priority Focus Area: Assessment and Care/Services

Element(s) of Performance:

2. Staff provide care, treatment, or services in accordance with professional standards of practice, law, and regulation. 

Scoring Category : A
Score : Insufficient Compliance

Observation(s):

EP 2
Observed in Individual Tracer at Alere Women's and Children's Health, LLC (6525 E 82nd St. Suite 101, Indianapolis, IN) site.
During a home visit (HV2) the home care surveyor observed the clinician did not provide care in accordance with professional standards and organizational policy. During the process of injecting 17P IM the clinician did not aspirate prior to administering the medication. The clinician used her left hand to isolate and hold the injection site while using the right hand to perform the stick and inject the medication. Discussion with leadership and review of policy confirmed aspirations are required prior to injecting medications.

SUPPORT LETTERS

Kimberly Fortner, M.D.
Maternal-Fetal Medicine

Mark Hennessy, M.D.
Maternal-Fetal Medicine

Bobby Howard, M.D.
Maternal-Fetal Medicine

Kristina Shumard, M.D.
Maternal-Fetal Medicine

Craig Towers, M.D.
Maternal-Fetal Medicine

Lynlee Wolfe, M.D.
Maternal-Fetal Medicine

Barbara Mynatt
Administrator

High Risk Obstetrical Consultants, PLLC
(HI-ROC)

Office Locations:
Gray, TN • Kingsport, TN • Knoxville, TN
1930 Alcoa Hwy Bldg A Suite 435 Knoxville, TN 37920
Phone: 865-305-8888 • Fax: 865-305-6180
(www.Hi-Roc.com)

Kristin Frazer, MS, CGC
Certified Genetic Counselor

Stephanie Porter, WHNP

Jo Kendrick, WHNP, CDE
Diabetes Coordinator

Lorin Grimsley, ED, CDE

Christina Goss, WHNP

Beth Weltz, WHNP

Danielle Spurling, WHNP

December 4th, 2015

Melanie M. Hill
Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
East TN CON Expansion

Dear Ms. Hill:

The physicians and staff at High Risk Obstetrical Consultants (HI-ROC) would like to offer our sincere support to Alere Women's Health for their CON application to expand its services in East Tennessee. There is a significant need for the unique services that Alere provides to the high-risk OB patient population, and we feel that the approval of this request will help us in our efforts in reducing costs and improving the healthcare options in our region.

Our Maternal Fetal Medicine group is a specialty practice that focuses on high risk pregnancy-related conditions that threaten the health of the mother, the child or both. Many of our patients are at risk of delivering prematurely or have other pregnancy-related complications, and have benefitted from Alere's homecare services in the past. Alere's programs focus on these high risk patients and allows them to monitor these patients on a regular basis and to minimize unnecessary office and hospital visits.

We have worked with Alere for several years in helping care for these challenging patients, and while we've been very happy with the care that Alere has provided, we've had many challenges when working around the limited number of counties that they were available in. These challenges have affected our ability to provide consistent care and options for many of our outreach patients, unfortunately based solely on patient's home address. Alere's team of obstetrical RNs, many of whom live in our local communities and also work in our OB units,

Kimberly Fortner, M.D.
Maternal-Fetal Medicine

Mark Hennessy, M.D.
Maternal-Fetal Medicine

Bobby Howard, M.D.
Maternal-Fetal Medicine

Kristina Shumard, M.D.
Maternal-Fetal Medicine

Craig Towers, M.D.
Maternal-Fetal Medicine

Lynlee Wolfe, M.D.
Maternal-Fetal Medicine

Barbara Mynatt
Administrator

High Risk Obstetrical Consultants, PLLC
(HI-ROC)

Office Locations:
Gray, TN • Kingsport, TN • Knoxville, TN
1930 Alcoa Hwy Bldg A Suite 435 Knoxville, TN 37920
Phone: 865-305-8888 • Fax: 865-305-6180
(www.Hi-Roc.com)

Kristin Frazer, MS, CGC
Certified Genetic Counselor

Stephanie Porter, WHNP

Jo Kendrick, WHNP, CDE
Diabetes Coordinator

Lorin Grimsley, ED, CDE

Christina Goss, WHNP

Beth Weltz, WHNP

Danielle Spurling, WHNP

p. 2

provide them a powerful opportunity to positively impact each patient's care and clinical outcomes.

We appreciate the opportunity to support this application, and hope your Board will rule favorably in granting this requested CON expansion in East Tennessee.

Sincerely,

The Physicians of High Risk Obstetrical Consultants
Knoxville, TN

Craig Towers MD

Bobby Howard MD

Lynlee Wolfe MD

Kimberly Fortner

Mark Hennessy MD

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

THE UNIVERSITY of TENNESSEE UT
GRADUATE SCHOOL of MEDICINE

UT OB/GYN Center
1928 Alcoa Highway
Suite 127
Knoxville, TN 37920-1511
Phone: 865.305.8787
Fax: 865.305.8260

November 23, 2015

Melanie M. Hill
Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
East TN CON Expansion

Dear Ms. Hill:

On behalf of University of Tennessee OB/GYN resident clinic and our patients, we would like express our enthusiastic support for the Alere Women's and Children's Health expansion throughout East TN.

We have utilized Alere's (formerly Matria) services for many years, and have found that their team of OB RNs, ongoing education, and daily support are a great option for our appropriate high risk pregnant patients. Specifically, those patients with a history of preterm delivery who are prescribed weekly 17P progesterone injections benefit greatly by having an OB nurse available to go into their homes to give their injections rather than traveling to their OB office weekly (from ~16wks through 36 wks gestation). No other homecare companies in our area can provide these services for our patients, and I understand that all of the Tenncare plans cover this option with Alere.

There is a significant need for increased access to the various services that Alere provides, and we are confident that the approval of this project will help in reducing costs and improve the quality of healthcare in our region. In the past, it has been challenging when patients who need these services were outside of Alere's CON counties, which makes it difficult to provide consistent care to everyone. Approval of this requested CON expansion would eliminate those boundaries and allow us to offer better options to our appropriate patients, improving patient care and outcomes for both mother and baby.

Thank you for your time and consideration of this request.

Sincerely,

Walter W Schoutko

Dr. Walter W. Schoutko MD
Assistant Professor
Department of OB/GYN
Medical Director Resident Clinic

BlueCare Tennessee
1 Cameron Hill Circle
Chattanooga, TN 37402-0001
bluecare.bcbst.com

December 3, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
CON Application No. 1506-025

Dear Ms. Hill:

I want to express BlueCare Tennessee's strong support for the certificate of need application filed by Alere Women's and Children's Health, LLC.

Since 1994, BlueCare Tennessee has been providing health care coverage to persons who qualify for TennCare in the state of Tennessee. Our organization currently serves more than 500,000 members across the state. And, in addition to TennCare, Cover Kids and Medicare Advantage programs. We work with Alere on a regular basis to care for our TennCare members, and we rely on Alere's specialized expertise to assist us in providing high-quality, personalized care at an affordable cost.

BlueCare Tennessee is very focused on preventing preterm births. Babies who are born too soon can have serious medical issues. For example, children who are born before 37 weeks often develop breathing or developmental problems that can lead to a lifetime of doctor or hospital visits. To minimize this risk, BlueCare of Tennessee proactively works to identify members who have a history of preterm delivery, and, where appropriate, we use weekly injections of "17P" – a progesterone formulation – to quiet the uterus and allow those mothers to carry to full term. Our goal is to do what is best for the mother and child, and if we can extend a pregnancy for even a few weeks longer it can have hugely beneficial implications for the health of the baby.

With its single focus on caring for high-risk pregnancy women and their children, Alere is an ideal partner to assist us in this important work. Alere's staff of obstetrical nurses are uniquely qualified to treat patients who need 17P, and to provide the regular and careful monitoring that those patients require. Alere's nurses are on call and available 24 hours a day. This high level of supervision and monitoring of high-risk patients significantly reduces the cost of care and improves maternal and fetal health. No other home health agency provides the specialized services offered by Alere.

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

BlueCare Tennessee is, therefore, very eager to see that Alere's services are available throughout all Tennessee counties. Approval of Alere's certificate of need application will improve access to this important, very specialized kind of care and result in important cost savings for the State of Tennessee, and we encourage your Agency to approve the application at the earliest opportunity.

Thank you for your attention in this matter. Please do not hesitate to contact me with any questions.

Sincerely,

David Moroney

David M. Moroney, MD
VP & Chief Medical Officer

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

UnitedHealthcare®
Community Plan

December 9, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

Re: Alere Women's and Children's Health, LLC
CON Application No. 1512-056 and -57

Dear Ms. Hill:

I want to express UnitedHealthcare Community Plan's strong support for the certificate of need application filed by Alere Women's and Children's Health, LLC.

Since 2007, UnitedHealthcare Community Plan has been one of three health plans that provide health care coverage to persons who qualify for TennCare in the Middle Tennessee region. Our organization currently serves over 450,000 members across the state. And, in addition to TennCare, we participate in the Temporary Assistance to Needy Families and Medicare Advantage programs. We work with Alere on a regular basis to care for our TennCare members, and we rely on Alere's specialized expertise to assist us in providing high-quality, personalized care at an affordable cost.

UnitedHealthcare Community Plan is very focused on preventing preterm births. Babies who are born too soon can have serious medical issues. For example, children who are born before 37 weeks often develop breathing or developmental problems that can lead to a lifetime of doctor or hospital visits. To minimize this risk, United Healthcare Community Plan proactively works to identify members who have a history of preterm delivery, and, where appropriate, we use weekly injections of "17P" – a progesterone formulation – to quiet the uterus and allow those mothers to carry to full term. Our goal is to do what is best for the mother and child, and if we can extend a pregnancy for even a few weeks longer it can have hugely beneficial implications for the health of the baby.

With its single focus on caring for high-risk pregnancy women and their children, Alere is an ideal partner to assist us in this important work. Alere's staff of obstetrical nurses is uniquely qualified to treat patients who need 17P and to do the regular and careful monitoring that those patients need. Alere's nurses are on call and available 24 hours a day. This high level of supervision and monitoring of high-risk patients significantly reduces the

cost of care and improves maternal and fetal health. No other home health agency can provide the specialized services offered by Alere.

UnitedHealthcare Community Plan is, therefore, very eager to see that Alere's services are available throughout all Middle Tennessee counties. Approval of Alere's certificate of need application will improve access to this important, very specialized kind of care and result in important cost savings for the State of Tennessee, and we encourage your Agency to approve the application at the earliest opportunity.

Thank you or your attention in this matter. Please do not hesitate to contact me with any questions.

Sincerely,

Joel F. Bradley MD

Joel F. Bradley MD
Chief Medical Officer
UnitedHealthcare Community Plan of Tennessee
8 Cadillac Dr
Brentwood ,TN. 37027

SUPPLEMENTAL #1

BASS BERRY + SIMS PLC

W. Brantley Phillips, Jr.
bphillips@bassberry.com
(615) 742-7723

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

December 16, 2015

VIA HAND DELIVERY

Jeff Grimm, HSD Examiner
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville TN 37243

Re: CON Application CN1512-057
Alere Women's & Children's Health (Hamilton Co.)

Dear Mr. Grimm:

Along with John Wellborn, our firm represents Alere Women's & Children's Health ("Alere") in connection with the above-reference Certificate of Need application. We are writing in response to your request dated December 11th for additional information. Our responses are numbered to correspond to the delineation of your questions. Per the applicable HSDA rule, we are providing this response in triplicate (with affidavit).

1. **Section A, Applicant Profile, Item 3**

As was the case with Alere's Davidson County application approved in CN1506-025A at the October 28, 2015 Agency meeting, the address for Alere Women's and Children's Health LLC continues to be noted as 3200 Windy Hill Rd in Atlanta, Georgia in the Licensed Facilities Report on the Department of Health website in lieu of the Hamilton address shown in the application. Based on the supplemental response in CN1506-025A, the renewal submitted by Alere in January 2015 with accurate local office addresses for its agencies appears to remain as pending. Please provide an update on developments in this regard.

Alere is unable to provide the requested update and refers the Agency to TDH-Licensure. As previously noted, however, Alere has submitted its annual renewal information with accurate local office addresses for its agencies. Copies of the Alere TDH filing showing the correct local address is attached to this response letter.

2. **Section A, Applicant Profile, Item 12**

HSDA staff is aware that Alere's home health agencies in Tennessee independently contract with Tenncare MCOs in the absence of Medicare provider certification for

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

reasons explained during review and hearing of Alere's recent application, CN1506-025A. It appears that the explanation provided in the 7/29/15 supplemental response for CN1506-025A would also apply to this application. If so, please confirm by providing a more detailed summary for this item.

The same explanation does apply with respect to this application.

Unlike all (or virtually all) other home health providers in Tennessee, Alere is not paid using either the TennCare or Medicare fee schedules. Indeed, most of the highly specialized services provided by Alere are not covered by either the TennCare or Medicare fee schedules. Nonetheless, the TennCare MCOs want to make these services available to their members due to the demonstrated health benefits and the significant cost savings that Alere's services make possible through sharply reduced maternal and NICU hospitalizations. To accomplish this, the TennCare MCOs independently contract with Alere on a fee-for-service basis using a negotiated fee schedule that is separate and distinct from either the TennCare or Medicare fee schedules. Under this arrangement, the MCOs pay Alere out of their own pockets and do not seek reimbursement for Alere's services from TennCare. Simply stated, Alere is not paid with TennCare dollars. Nor do the MCOs submit encounter data regarding Alere's services to TennCare.

Should the Agency have any further questions on this topic, Alere can arrange for HSDA staff to speak with Mr. Kit Dockery, Principal, Ancillary Networks, at BlueCare in Chattanooga. Mr. Dockery is very familiar with this topic, and we are happy to facilitate a discussion as needed.

3. **Section B, Project Description, Item II**

Discussion of the development of the proposal is noted. Please provide the following additional information for the highlights noted in this section of the application:

- **Have there been any changes in the applicant's scope of services from original CON approved in 1998 leading to licensure by TDH? Please also confirm that the agency's scope of services do not include in-home skilled nursing services for newborns by an obstetrical Registered Nurse staff member.**

No. As new home care technologies and services are developed to deliver home healthcare, they may be utilized by Alere. But, such clinical decisions remain under the scope of home health care as approved by HSDA originally, and as defined by statute and State rules and regulations. Please also allow this to confirm that Alere's services do not include in-home skilled nursing services for newborns.

- **From the applicant's experience, please discuss how the proposed service will safeguard against potential medication errors that might possibly result in serious**

harm ***(note: this question relates to skilled nursing service involving "medication infusion" and is based on comments found on page 11).***

Alere follows policies relative to safely managing infusion pumps. The policies include the requirement to validate all pump programming/dosing with two Registered Nurses ("RN") prior to patient placement. This is done to ensure the dosage is programmed per the plan of treatment. The pumps are programmed with maximum and minimum dosages as well as lock-out settings that prevent the patient from making changes to the pump that could result in the delivery of the wrong dosage of medication.

4. **Section C, Need, Item (Project Specific Criteria - Home Health Services)**

Items 1-4 – The need assessment prepared by the Department of Health using information from the 2014 JAR showing capacity of existing providers to serve an additional 23,627 home health patients of all ages is noted. It would be helpful to include comment in the response for this item relative to the ability of existing agencies to serve the target female population by briefly summarizing Alere's survey findings addressed on pages 19 – 22 of the application.

Alere's survey of existing home health agencies revealed that none employs high-risk OB nurses. Likewise, none of the existing agencies surveyed indicated having either the experience or equipment necessary for treating the unique patient population that Alere seeks to serve. Specifically, none of the surveyed agencies have the equipment necessary to assess the fetus during the antepartum period.

Item 6 – Table 5-A Please explain the heading in the column labeled Cost Per Visit – SNF Only.

There was a typographical error in Table Five-A (p. 42) and Fifteen-A (p. 63). Please see the attached revised pages 42R and 63R, which replace reference to "SNF" with "Skilled Nursing." Because Alere provides only skilled care nursing visits, and agencies other than Alere report that statistic in their JAR, it was considered helpful to provide it. The data was intended to meet or exceed what was required in the Agency review of the prior application for Alere-Davidson County.

5. **Section C, Need Item 3 and 4.A (Service Area Demographics)**

Item 3 - The additional 23 counties plus the applicant's existing 13 counties amounts to a total service area of 36 counties. In addition to the need referenced in the attached support letters, what part, if any, did geography play in the applicant's decision to add the 23 counties to its licensed service area?

Geography played an important role. TennCare recipients account for a sizeable number of Alere's patients. TennCare MCO's are Statewide. It is efficient for Alere's

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

Hamilton County agency to seek regionwide licensure in one Certificate of Need in order to be available to MCOs and physician practices, wherever their patients reside. Piecemeal application based on county-by-county service requests would be an inefficient and very costly exercise.

Given the office's location in Hamilton County on the SE border of Tennessee with Alabama and Georgia and the large size of the combined 36 county service area extended to Tennessee's border with Virginia and Kentucky, what consideration was given to adding a 2nd office more centrally located in the proposed 23 county region such as Knox County? Please discuss.

Alere already has an office presence in the Knoxville area in connection with its coporate affiliate, OptumHealth. Depending on operational experience, Alere expects to add an additional FTE to that office in order to provider staffing support for the additional services contemplated by this application.

How will the applicant maintain an active marketing presence in the additional counties given its parent office location in Chattanooga? Please clarify.

See response to Item 3 above. Initially, Alere expects to address any marketing needs using sales resources that are now located in adjacent states. Once this project is fully implemented, Alere will relocate additional marketing resources to East Tennessee as needed and depending on operational experience.

Item 4.A – Table 6 is noted. HSDA received an updated version of the total population by county, including the population of the age 15-44 age cohort, from the Department of Health in September 2015. Please check with a representative of Health Statistics to obtain a copy for review & comparison to the data provided in the table.

Pursuant to your request and clarification by telephone on December 14th, we have obtained the September 2015 projections for service area counties. The only new data on female population of childbearing age available currently is for 2016 (which is not relevant) and for 2018, which is this project's Year Two.

To test the impact of new 2018 childbearing female population data, we prepared new supplemental Table 12-C, which is attached and expands on the submitted Table 12-B. The new Table 12-C demonstrates that the impact of the new data on the demand projection in Alere Hamilton's Year Two is positive but insignificant – only a 1.2% variance from the original Table 12-B and the projections currently in the application. Based on this, we understand that further amendments of the projected cases and of the Projected Data Charts and related narrative would not be necessary. These new data do not adversely impact project demand, need or financial feasibility as already presented in the original filing.

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

6. **Section C, Need Item 6 (Applicant's Projected Utilization)**
Applicant's Historical and Projected Utilization- Please address the following items:

- **The comments in the 1st item on page 52 appear to indicate that the applicant had a 14-county licensed service area in 2014 in lieu of the 13-county service area approved in Matria HealthCare, Inc. - Chattanooga, CN9807-039A, and identified in other parts of this application. Please clarify.**

  Any reference to a 14-county licensed service area was a typographical error. Please see the revised Page 52R, which is attached.

- **In Table 11A, what accounts for the applicant's low patient volumes of 50 patients served in 2014, a decrease of 32% from 74 patients served in 2013?**

  Alere's patient volumes can vary from year-to-year for reasons that are not easily identifiable. Importantly, based on Alere's many decades of experience in this market, the variation from 2013 to 2014 does not reflect any sustained trend that would affect the long-term financial viability of this project.

- **Based on the applicant's low historical patient volumes, please discuss in more detail the applicant's plans to ramp-up operations to facilitate the expansion of the service to the extent desired and proposed in the application. Please clarify.**

  In view of the letters of support for this project received both payors and providers, Alere is confident that this project will be supported by a strong base of referrals. Indeed, at present, Alere is being forced to turn away patient referrals because of the geographic limitations of its existing service area in East Tennessee. Once those limitations are eliminated, Alere expects to add new patients almost immediately.

7. **Section C, Economic Feasibility Item 2 and Item 4**

Review of the Consolidated Balance Sheets for the parent company revealed an excess of current liabilities over current assets for the 2014 and 2013 fiscal year periods such that the company's current ratio may be below industry norm. Although it is understood that the capital costs of the proposal are primarily consulting fees and are minimal, is sufficient cash from cash reserves available to support the project in light of United Health Group's current obligations (such as accounts payable) as identified in current liabilities?

Yes, as a *Fortune 15* company with annual revenues in excess of $130 billion, United Health Group has sufficient cash to cover all implementation costs associated with this application.

8. Section C. Economic Feasibility Item 6.B

Please clarify the column header of Table 15A that is labeled as "Cost Per Visit SNF Only".

Please see the response to your question #4 above.

9. Section C, Orderly Development, Item 3 (Staffing)

The response is noted. The applicant will find information for the requested overview of wage patterns on the Labor and Workforce Development website with several data resources provided by the Department's Employment Security Division. You can access by navigating to the "Employers" tab on the site. Scroll down to "Resources" then follow the links leading to Labor Market Information. (Note: you might also try www.tn.gov/workforce/section/employers).

Alere has reviewed the referenced website, which provides 2015 annual salary surveys for hundreds of defined occupations, including two types of healthcare employees. That website, however, only lists salary data for "licensed practical and vocational nurses", which are not RNs. Because Alere employs RNs only, it is not possible to compare Alere's projected salaries with information made available by the state Department of Labor & Workforce Development.

10. Proof of Publication

Although referenced in the application, publisher's affidavits or copies of the LOI with date and mast intact was omitted from the application. Please provide this information to confirm publication of the LOI in each of the eight (8) newspapers identified in the copy of the LOI that HSDA received on December 1, 2015.

In your response, please verify publication of the LOI in a newspaper of general circulation whose coverage area includes any or all of the additional proposed 23 counties.

Please also complete the table below to help illustrate publication of the LOI for the project.

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

Name of Newspaper of General Circulation	Address	How often is this Newspaper Distributed?	Applicant's Proposed Service Area County (total of 23)	Date LOI Published
Elizabethton Star	300 N. Sycamore St. Elizabethton, TN 37643	Tuesday-Friday; Sunday	Carter	December 2, 2015
Greeneville Sun	121 W. Summer St. Greeneville, TN 37743	Monday-Saturday	Greene	December 3, 2015
Rogersville Review	316 E. Main St. Rogersville, TN 37857	Wednesday; Saturday	Hawkins; Hancock	December 2, 2015
Tomahawk	118 Church St. Mountain City, TN 37683	Wednesday	Johnson	December 2, 2015
Kingsport Times-News	701 Lynn Garden Drive Kingsport, TN 37660	Daily	Sullivan	December 2, 2015
Erwin Record	218 Gay Street Erwin, TN 37650	Wednesday	Unicoi	December 2, 2015
Johnson City Press	204 W. Main St. Johnson City, TN 37604	Daily	Washington	December 2, 2015
Knoxville News-Sentinel	2332 News Sentinel Drive Knoxville, TN 37921	Daily	Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Morgan, Roane, Scott, Sevier, Union	December 2, 2015

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

Thank you for your assistance in this matter. We hope that the foregoing provides the additional information that HSDA requires in order to accept the pending application into the next review cycle. Please do not hesitate to contact us further as needed.

With kind regards, I remain,

Very truly yours,

W. Brantley Phillips, Jr.

WBP:
Attachments

cc: John Wellborn

SUPPLEMENTAL #1
December 16, 2015
4:08 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: **Alere Women's & Children's Health**

I, **W. Brantley Phillips, Jr.**, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 16th day of December, 2015, witness my hand at office in the County of Davidson, State of Tennessee.

NOTARY PUBLIC

My commission expires May 3, 2016.

KAREN REECER
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY

HF-0043

Revised 7/02

SUPPLEMENTAL #2

BASS BERRY + SIMS PLC

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

W. Brantley Phillips, Jr.
bphillips@bassberry.com
(615) 742-7723

December 18, 2015

VIA HAND DELIVERY

Jeff Grimm, HSD Examiner
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville TN 37243

Re: CON Application CN1512-057
Alere Women's & Children's Health (Hamilton Co.)

Dear Mr. Grimm:

We are writing in response to your request dated December 17th for additional information. Our responses are numbered to correspond to the delineation of your questions. Per the applicable HSDA rule, we are providing this response in triplicate (with affidavit).

1. **Proof of Publication**

Although referenced in the application, publisher's affidavits or copies of the LOI with date and mast intact was omitted from the application. Please provide this information to confirm publication of the LOI in all 8 of the newspapers identified in the copy of the LOI that HSDA received on December 1, 2015.

The table was completed as requested and returned in your 12/16/15 supplemental response.

However, the requested proof of publication was omitted from the response. Please submit a publisher's affidavit for each of the 8 newspapers confirming publication on the dates identified in the table.

Please find attached proofs of publication from the following newspapers: the *Elizabethton Star*, *The Greeneville Sun*, *The Rogersville Review*, *The Tomahawk*, *Kingsport Times-News*, *The Erwin Record*, *Johnson City Press* and *The Knoxville News-Sentinel*.

Thank you for your assistance in this matter. We hope that the foregoing provides the additional information that HSDA requires in order to accept the pending application into the next review cycle. Please do not hesitate to contact us further as needed.

With kind regards, I remain,

Very truly yours,

W. Brantley Phillips, Jr.

WBP:
Attachments

cc: John Wellborn

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: **Alere Women's & Children's Health**

I, **W. Brantley Phillips, Jr.**, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 18th day of December, 2015, witness my hand at office in the County of Davidson, State of Tennessee.

NOTARY PUBLIC

My commission expires May 3, 2016.

HF-0043

Revised 7/02

KAREN REECER
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

AFFP
CERTIFICATE OF NEED

Affidavit of Publication

STATE OF TENNESSEE } SS
COUNTY OF CARTER }

Lynn Richardson, being duly sworn, says:

That she is Publisher of the Elizabethton Star, a daily newspaper of general circulation, printed and published in Elizabethton, Carter County, Tennessee; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

December 02, 2015

That said newspaper was regularly issued and circulated on those dates.

The sum charged by the Newspaper for said publication does not exceed the lowest rate paid by commercial customers for an advertisement of similar size and frequency in the same newspaper in which the public notice appeared.

There are no agreements between the Elizabethton Star and the officer or attorney charged with the duty of placing the attached legal advertising notices whereby any advantage, gain or profit accrued to said officer or attorney.

SIGNED:

Lynn J. Richardson

Publisher

Subscribed to and sworn to me this 2nd day of December 2015.

Kristina Cruz

Kristina Cruz, Notary Public, Carter County, Tennessee

My commission expires: June 04, 2017

04156847 00100687

KRISTINA D. CRUZ STATE OF TENNESSEE NOTARY PUBLIC COUNTY OF CARTER

BASS, BERRY & SIMS PLC
900 S. GAY ST., SUITE 1700
KNOXVILLE, TN 37902

PUBLIC NOTICE

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Alere Women's and Children's Health LLC (a home health agency with its principal office in Hamilton County), owned and managed by Alere Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 23 counties, to be added to its current service area, at a cost estimated at $80,600: Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott, Sevier, Sullivan, Unicoi, Union, and Washington.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office is located at 651 East Fourth Street, Suite 100, Chattanooga, TN 37403. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Elizabethton Star: Dec. 2, 2015
CERTIFICATE OF NEED

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

PROOF OF PUBLICATION

Acct. Name:

BASS, BERRY & SIMS,

Acct. # 136428

COST OF PUBLICATION

Total $0.00

STATE OF TENNESSEE

COUNTY OF GREENE

PERSONALLY appeared before me _____

_____ of Greene County, Tennessee.

who being duly sworn, made oath that he/she is a representative of the Publisher of THE GREENEVILLE SUN, a newspaper of general circulation, published in the City of Greeneville, County of Greene and State of Tennessee and that the hereto attached publication appeared in the same on the following dates:

NOTIFICATION OF INTENT T

12/03/2015

The Greeneville Sun

P.O. BOX 1630, GREENEVILLE, TN 37744

(423) 638-4181

Subscribed and sworn to before me on this 3rd day of December, 2015

JANET L. MEDCALF
STATE OF TENNESSEE
NOTARY PUBLIC
GREENE COUNTY

Newspaper Representative: _____

Notary Public: _____

My Commission Expires: 6/26/16

The referenced publication of notice has also been posted (1) On the newspaper's website, where it shall be published contemporaneously with the notice's first print publication and will remain on the website for at least as long as the notice appears in the newspaper; and (2) On a statewide web site established and maintained as an initiative and service of the Tennessee Press Association as a repository for such notices.

SUPPLEMENTAL #2

December 18, 2015

4:00 pm

The Greeneville Sun Classifieds

Place your ad by calling 423.638.4185 Fax to 423.638.7348 • Online at GreenevilleSun.com

1 PUBLIC NOTICES

Public Notices

NOTICE OF GRAND JURY MEETING

Public Notices

PUBLIC NOTICE

NOTICE OF PUBLIC HEARING

Public Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor, 502 Deaderick Street,
Nashville, TN 37243

Public Notices

NOTICE OF TRUSTEE'S SALE

2 ANNOUNCEMENTS

Lost and Found

LOST YOUR PET?

The Greeneville Sun

Lost and Found

LOST YOUR PET?

Lost and Found

(423) 620-7851

Of Interest

SMOKY MOUNTAINS!

Stay up to date with latest health news. Look for The Health Pages every Monday in The Greeneville Sun

TRUST
It's the Reason 45% of Greene county residents read The Greeneville Sun Classifieds on a daily basis. Classifieds give you affordable access to those loyal readers.
Call 638-4185

Of Interest

REACH 300,000+ READERS IN PRINT

We SELL Stuff FAST!

The Greeneville Sun

Personals

Garage / Yard Sales

Having A Yard Sale?
Let Everyone Know Where You Are!
Advertise Your Sale! Call For Details 638-4185.
The Greeneville Sun

We can sell your merchandise fast! Call for Details 638-4185

The Greeneville Sun
CLASSIFIEDS
638-4185

Contract Bridge By Steve Becker

Stop, Look and Listen

Is your honey-do list getting out of hand?

SERVICES

Check out the The Business & Service Directory of *The Greeneville Sun.* We have listings in many areas, including general contracting, electrical, roofing, masonry, plumbing and much more!!

The Greeneville Sun
CLASSIFIEDS
423-638-4185
121 W. Summer St. • Greeneville, TN
GreenevilleSun.com

Visit: GreenevilleMarketplace.com

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

PROOF OF PUBLICATION

Acct. Name:

BASS BERRY + SIMS

Acct. # 258905

COST OF PUBLICATION

Total $119.50

STATE OF TENNESSEE

COUNTY OF HAWKINS

PERSONALLY appeared before me Tommy Campbell

_____ of Hawkins County, Tennessee.

who being duly sworn, made oath that he/she is a representative of the Publisher of THE ROGERSVILLE REVIEW, a newspaper of general circulation, published in the City of Rogersville, County of Hawkins and State of Tennessee and that the hereto attached publication appeared in the same on the following dates:

NOTIFICATION OF INTENT T

12/02/2015

The Rogersville Review

P.O. BOX 100, ROGERSVILLE, TN 37857

(423) 272-7422

Subscribed and sworn to before me on this 2nd day of December, 2015

Newspaper Representative: [signature]

Notary Public: Sharon T Roberts

My Commission Expires: May 06, 2018

SHARON T. ROBERTS STATE OF TENNESSEE NOTARY PUBLIC COUNTY OF HAWKINS

The referenced publication of notice has also been posted (1) On the newspaper's website, where it shall be published contemporaneously with the notice's first print publication and will remain on the website for at least as long as the notice appears in the newspaper; and (2) On a statewide web site established and maintained as an initiative and service of the Tennessee Press Association as a repository for such notices.

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

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The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office is located at 651 East Fourth Street, Suite 100, Chattanooga, TN 37403. The project does not contain major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215, (615) 665-2022.

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1x 12/02/2015

SUPPLEMENTAL #2
December 18, 2015

KINGSPORT TIMES-NEWS

PUBLICATION CERTIFICATE

Kingsport, TN 12/3/15

This is to certify that the Legal Notice hereto attached was published in the Kingsport Times-News, a daily newspaper published in the City of Kingsport, County of Sullivan, State of Tennessee, beginning in the issue of December 2, 2015, and appearing 1 consecutive weeks/times, as per order of Baas, Berry, & Sims

Signed Sheryl Edwards

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PUB1T: 12/02/2015

STATE OF TENNESSEE, SULLIVAN COUNTY, TO-WIT:

Personally appeared before me this 3rd day of December 2015, Sheryl Edwards of the Kingsport Times-News and in due form of law made oath that the foregoing statement was true to the best of my knowledge and belief.

JANICE J. REESER NOTARY PUBLIC AT LARGE WASHINGTON COUNTY, TN

Janice J. Reeser
NOTARY PUBLIC

My commission expires 3-2-2016

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

DEC 18 2015

STATE OF TENNESSEE
COUNTY OF UNICOI

DAMARIS HIGGINS of Erwin. County of Unicoi, State of Tennessee, deposeth that she is Marketing Services Director of **The Erwin Record,** a newspaper published at Erwin, Unicoi County, Tennessee, and that the notice hereto attached was published in said paper on the dates listed below. Furthermore, this legal notice was published online at www.erwinrecord.net & www.publicnoticeads.com during the duration of the run dates listed. This publication fully complies with Tennessee Code Annotated 1-3-120.

January _____ 2015
February _____ 2015
March _____ 2015
April _____ 2015
May _____ 2015
June _____ 2015
July _____ 2015
August _____ 2015
September _____ 2015
October _____ 2015
November _____ 2015
December 2 _____ 2015

By _____

Sworn to and subscribed before me
this 2nd (date) day of December (month) 2015

Keith Whitson
Keith Whitson **Notary Public**

R. KEITH WHITSON
STATE OF TENNESSEE
NOTARY PUBLIC
UNICOI COUNTY

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

Court. Announcements made day of sale take precedence over any advertisement.

SALE WILL BE CONDUCTED AT THE COURTHOUSE STEPS

VEWINGS OF PROPERTY ARE BY APPOINTMENT ONLY.
Please call the number below for showings.

HONORABLE DARREN C. SHELTON, CIRCUIT COURT CLERK
ACTING AS SPECIAL COMMISSIONER
(423) 743-3541

Legals

Legals

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502 Deaderick Street
Nashville, TN 37243

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SEE ALSO THE REVERSION OF WATER RIGHTS OF RECORD IN BOOK 203, PAGE 563, REGISTER'S OFFICE OF UNICOI COUNTY, TENNESSEE.

THIS IS IMPROVED PROPERTY KNOWN AS 3003 UPPER STONE MTN RD, UNICOI, TN 37692.

PROPERTY ID: 014 00603 000

THE SALE OF THE SUBJECT PROPERTY IS WITHOUT WARRANTY OF ANY KIND, AND IS FURTHER SUBJECT TO THE RIGHT OF ANY TENANT(S) OR OTHER PARTIES OR ENTITIES IN POSSESSION OF THE PROPERTY. ANY REPRESENTATION CONCERNING ANY ASPECT OF THE SUBJECT PROPERTY BY A THIRD PARTY IS NOT THE REPRESENTATION/RESPONSIBILITY OF TRUSTEE(S)/ SUBSTITUTE TRUSTEE(S) OR THEIR OFFICE.

THIS SALE IS SUBJECT TO ANY UNPAID TAXES, IF ANY, ANY PRIOR LIENS OR ENCUMBRANCES LEASES, EASEMENTS AND ALL OTHER MATTERS WHICH TAKE PRIORITY OVER THE DEED OF TRUST UNDER WHICH THIS FORECLOSURE SALE IS CONDUCTED, INCLUDING BUT NOT LIMITED TO THE PRIORITY OF ANY FIXTURE FILING. IF THE U.S. DEPARTMENT OF THE TREASURY/ INTERNAL REVENUE SERVICE, THE STATE OF TENNESSEE DEPARTMENT OF REVENUE, OR THE STATE OF TENNESSEE DEPARTMENT OF LABOR AND WORK FORCE DEVELOPMENT ARE LISTED AS INTERESTED PARTIES IN THE ADVERTISEMENT, THEN THE NOTICE OF THIS FORECLOSURE IS BEING GIVEN TO THEM, AND THE SALE WILL BE SUBJECT TO THE APPLICABLE GOVERNMENTAL ENTITIES RIGHT TO REDEEM THE PROPERTY, ALL AS REQUIRED BY 26 U.S.C. 7425 AND T.C.A. 67-1-1433. THE NOTICE REQUIREMENTS OF T.C.A. 35-5-101 ET SEQ. HAVE BEEN MET.

THE RIGHT IS RESERVED TO ADJOURN THE DAY OF THE SALE TO ANOTHER DAY, TIME AND PLACE CERTAIN WITHOUT FURTHER PUBLICATION, UPON ANNOUNCEMENT AT THE TIME AND PLACE FOR THE SALE SET FORTH ABOVE. THE TRUSTEE/SUBSTITUTE TRUSTEE RESERVES THE RIGHT TO RESCIND THE SALE

IF YOU PURCHASE A PROPERTY AT THE FORECLOSURE SALE, THE ENTIRE PURCHASE PRICE IS DUE AND PAYABLE AT THE CONCLUSION OF THE AUCTION IN THE FORM OF A CERTIFIED/BANK CHECK MADE PAYABLE TO OR ENDORSED TO LAW OFFICE OF J. PHILLIP JONES. NO PERSONAL CHECKS WILL BE ACCEPTED. TO THIS END, YOU MUST BRING SUFFICIENT FUNDS TO OUTBID THE LENDER AND ANY OTHER BIDDERS. INSUFFICIENT FUNDS WILL NOT BE ACCEPTED. AMOUNTS RECEIVED IN EXCESS OF THE WINNING BID WILL BE REFUNDED TO THE SUCCESSFUL PURCHASER AT THE TIME THE FORECLOSURE DEED IS DELIVERED.

OTHER INTERESTED PARTIES: NONE OF RECORD

THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

This is improved property known as 3003 UPPER STONE MTN RD, UNICOI, TN 37692.

J. PHILLIP JONES/JESSICA D. BINKLEY, SUBSTITUTE TRUSTEE
1800 HAYES STREET
NASHVILLE, TN 37203
(615) 254-4430
www.phillipjoneslaw.com
www.auction.com
F15-1037

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

JOHNSON CITY PRESS
204 W. Main Street
Johnson City, TN 37604
AFFIDAVIT OF PUBLICATION

AD# 1272729

DATES: 12-2-2015

State of Tennessee)
Carter County)
Washington County)

Teresa Hicks makes the oath that sh

daily newspaper published in Johns

advertisement was published in sai

12-2-2015 and end

Sworn to and Subscribed before me

CONNIE N. GUINN
STATE OF TENNESSEE
NOTARY PUBLIC
WASHINGTON COUNTY

My commission expires on 03/28/2017

NOTIFICATION OF INTENT
TO APPLY FOR A CERTIFICATE OF NEED

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This legal notice was published online at www.johnsoncitypress.com and www.publicnoticeads.com during the duration of the run dates listed. This publication fully complies with Tennessee Code Annotated 1-3-20

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

JOHNSON CITY PRESS
204 W. Main Street
Johnson City, TN 37604
AFFIDAVIT OF PUBLICATION

AD# 1272729

DATES: 12-2-2015

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State of Tennessee)
Carter County)
Washington County)

Teresa Hicks makes the oath that she is a Representative of The Johnson City Press, a daily newspaper published in Johnson City, in said County and State, and that the advertisement was published in said paper for 1 insertion (s) commencing on 12-2-2015 and ending on 12-2-2015.

Teresa Hicks

Sworn to and Subscribed before me this 12 2 2015
Month Day Year

CONNIE N. GUINN
STATE OF TENNESSEE
NOTARY PUBLIC
WASHINGTON COUNTY

Connie N. Guinn
Notary Public

My commission expires on 03/28/2017

This legal notice was published online at www.johnsoncitypress.com and www.publicnoticeads.com during the duration of the run dates listed. This publication fully complies with Tennessee Code Annotated 1-3-20

SUPPLEMENTAL #2
December 18, 2015
4:00 pm

Attn: Laura Bilbrey
To: BASS, BERRY & SIMS PLC

(Advertising) NOTIFICATION OF INTENT TO APPLY FOR (Ref No: 819310)

P.O.#:

PUBLISHER'S AFFIDA

State of Tennessee }
S.S
County of Knox }

Before me, the undersigned, a Notary Public in and for said c
Watkins first duly sworn, according to law, says that he/she is
Knoxville News-Sentinel, a daily newspaper published at Kno
the advertisement of:

(The Above-Referenc

of which the annexed is a copy, was published in said paper o

12/02/2015

and that the statement of account herewith is correct to the be
belief.

Louise Watkins

Subscribed and sworn to before me this 2nd day of December 20 15

Ashley Breeden
Notary Public

My commission expires _____ 20____

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

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ASHLEY BREEDEN
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF KNOX

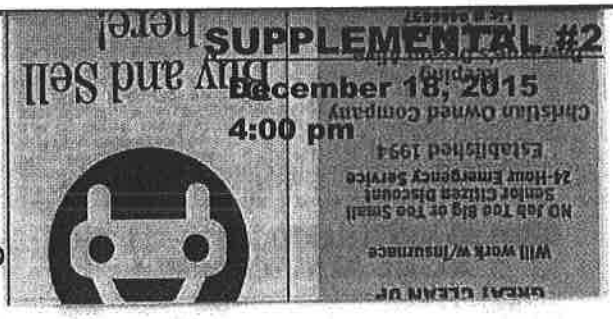
MY COMMISSION EXPIRES:
MAY 5, 2019

DEC 18 '15 PM 4:08

200

Attn: Laura Bilbrey
To: BASS, BERRY & SIMS PLC

(Advertising) NOTIFICATION OF INTENT TO APPLY FO



P.O.#:

PUBLISHER'S AFFIDAVIT

State of Tennessee }
S.S
County of Knox }

Before me, the undersigned, a Notary Public in and for said county, this day personally came Louise Watkins first duly sworn, according to law, says that he/she is a duly authorized representative of *The Knoxville News-Sentinel*, a daily newspaper published at Knoxville, in said county and state, and that the advertisement of:

(The Above-Referenced)

of which the annexed is a copy, was published in said paper on the following date(s):

12/02/2015

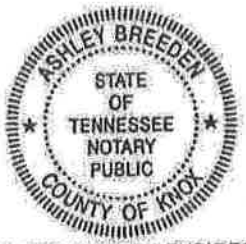
and that the statement of account herewith is correct to the best of his/her knowledge, information, and belief.

Louise Watkins

Subscribed and sworn to before me this 2nd day of December 20 15

Ashley Breeden
Notary Public

My commission expires _____ 20____



MY COMMISSION EXPIRES:
MAY 5, 2019

SUPPLEMENTAL
#3

202

BASS BERRY + SIMS PLC

SUPPLEMENTAL #3
December 21, 2015
2:55 pm

W. Brantley Phillips, Jr.
bphillips@bassberry.com
(615) 742-7723

December 21, 2015

VIA HAND DELIVERY

Jeff Grimm, HSD Examiner
Tennessee Health Services & Development Agency
Andrew Jackson Bldg., 9th Floor
502 Deaderick Street
Nashville TN 37243

Re: CON Application CN1512-057
Alere Women's & Children's Health (Hamilton Co.)

Dear Mr. Grimm:

Enclosed is a copy of the proof of publication from *The Tomahawk*, which was inadvertently omitted from the materials submitted to the Agency on December 18, 2015.

Thank you for your assistance in this matter. Please do not hesitate to contact us further as needed.

With kind regards, I remain,

Very truly yours,

W. Brantley Phillips, Jr.

WBP:lgb
Attachment

cc: John Wellborn

SUPPLEMENTAL #3
December 21, 2015
2:55 pm

THE TOMAHAWK
MOUNTAIN CITY, TN

PROOF OF PUBLICATION

State of Tennessee
Johnson County, as:

Personally appeared before me, a notary public in and for said county and state, BILL THOMAS, publisher and proprietor of THE TOMAHAWK, INC., a weekly newspaper of general circulation, printed and published in Mountain City, Johnson County, Tennessee, and who, being duly sworn, upon oath, says that the notice of which the attached is a true copy, was duly published in said newspaper for 1 successive times, the first publication being on the 2nd day of December, 2015
second on _____ day of _____, 20____
third on _____ day of _____, 20____
fourth on _____ day of _____, 20____

(Signed) Bill Thomas

Subscribed and sworn before me this 18th day of December, 2015

"This legal notice was published online at www.thetomahawk.com and www.publicnoticeads.com during the duration of the run dates listed. This publication fully complies with Tennessee Code Annotated 1-3-120."

PAULA NELIS WALTER
STATE OF TENNESSEE NOTARY PUBLIC
JOHNSON COUNTY

Paula Nelis Walter
Notary Public

My commission expires 8/21, 2016

Publication Fee _____ $_____
Proof filed with Clerk _____, 20____

SUPPLEMENTAL #3
December 21, 2015
2:55 pm

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SUPPLEMENTAL #3
December 21, 2015
2:55 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: **Alere Women's & Children's Health**

I, W. Brantley Phillips, Jr., after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 21st day of December, 2015, witness my hand at office in the County of Davidson, State of Tennessee.

NOTARY PUBLIC

My commission expires June 21, 2016.

LAURA BILBREY
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY

H4-0043

Revised 7/02

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published on or before December 10, 2015, for one day, in the following newspapers:

(a) the *Elizabethton Star,* which is a newspaper of general circulation in *Carter* County;

(b) the *Greeneville Sun*, which is a newspaper of general circulation in *Greene* County;

(c) the *Rogersville Review*, which is a newspaper of general circulation in *Hawkins and Hancock* Counties;

(d) the *Tomahawk*, which is a newspaper of general circulation in *Johnson* County;

(e) the *Kingsport Times-News*, which is a newspaper of general circulation in *Sullivan* County;

(f) the *Erwin Record*, which is a newspaper of general circulation in *Unicoi* County;

(g) the *Johnson City Press*, which is a newspaper of general circulation in *Washington* County;

(h) the *Knoxville News-Sentinel*, which is a newspaper of general circulation in *Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Morgan, Roane, Scott, Sevier, and Union* Counties.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §§ 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Alere Women's and Children's Health LLC (a home health agency with its principal office in Hamilton County), owned and managed by Alere Women's and Children's Health, LLC (a limited liability company), intends to file an application for a Certificate of Need to provide home health agency services exclusively limited to the care of high-risk obstetrical patients with antepartum and postpartum needs, in the following 23 counties, to be added to its current service area, at a cost estimated at $80,600: Anderson, Blount, Campbell, Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Morgan, Roane, Scott Sevier, Sullivan, Unicoi, Union, and Washington.

The applicant is licensed as a Home Health Agency by the Board for Licensing Health Care facilities. The applicant's principal office is located at 651 East Fourth Street, Suite 100, Chattanooga, TN 37403. The project does not contain major medical equipment or initiate or

discontinue any other health service; and it will not affect any facility's licensed bed complements.

The anticipated date of filing the application is on or before December 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

(Signature)	1 DECEMBER 2015 (Date)	bphillips@bassberry.com (E-mail Address)

CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF POLICY, PLANNING AND ASSESSMENT
615-741-1954

DATE: February 29th, 2016

APPLICANT: Alere Woman's and Children's Health
651 East 5th Street, Suite 100
Chattanooga, Tennessee 37403

CN1512-057

CONTACT PERSON: John Wellborn, Consultant
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, Tennessee 37215

COST: $80,600

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:
The applicant, Alere Women's and Children's' Health, LLC, (AWCH) seeks a Certificate of Need (CON) to provide home health services exclusively to the care of high-risk obstetrical patients and newborns with antepartum and immediate postpartum needs by adding 23 counties to its current service area. Alere' has a specialized and critically important home care mission. Alere works with, and under the direction of patients' physicians to provide clinically state-of-the-art home care to high risk obstetrical patients. Alere does not provide other services or care for newborns.

AWCH is a licensed home health agency. The applicant's principal office is located at 651 East Fourth Street, Suite 100, Chattanooga, Tennessee 37403. The project does not contain any major medical equipment or initiate or discontinue any other health service; nor affect any facilities licensed bed compliments.

AWCH, LLC is wholly owned by Alere Health, LLC, which is wholly owned by Optum Health Care Solution's. Inc. and is ultimately owned by United Health Group. Attachment A.4 contains more detailed information and an organizational chart for Optum and its subsidiaries.

The total project cost is $76,000 and will be funded through cash reserves as documented by letter in Attachment C, Economic Feasibility.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan.*

NEED:
The applicant's **current** service area includes Bledsoe, Bradley, Coffee, Grundy, Hamilton, Marion, McMinn, Meigs, Monroe, Polk, Rhea, Sequatchie, and Warren counties.

The applicant's proposed service area contains the following counties.

County	2016 Population	2020 Population	% of Increase/ (Decrease)
Anderson	77,667	79,061	1.8%
Blount	133,236	139,725	4.9%
Campbell	41,464	41,787	0.8%
Carter	58,139	58,375	0.4%
Claiborne	33,800	34,713	2.7%
Cocke	36,976	37,663	1.9%
Grainger	23,890	24,577	2.9%
Greene	72,512	74,656	3.0%
Hamblen	65,332	67,028	2.6%
Hancock	6,951	7,007	0.8%
Hawkins	58,771	59,784	1.7%
Jefferson	55,714	58,372	4.8%
Johnson	18,793	19,112	1.7%
Knox	466,345	488,993	4.9%
Loudon	54,261	57,923	6.7%
Morgan	23,402	24,288	3.8%
Roane	55,630	56,301	6.6%
Scott	22,878	23,224	1.5%
Sevier	101,144	108,468	7.2%
Sullivan	158,938	159,749	0.5%
Unicoi	18,847	19,150	1.6%
Union	19,903	20,320	2.1%
Washington	133,817	140,905	5.3%
Total	**1,738,410**	**1,801,181**	**3.6%**

Tennessee Population Projections 2000-2020, 2015 Revised UTCBER, Tennessee Department of

AWCH is a highly specialized home health agency that has served fourteen Middle Tennessee counties for many years. It is one of three Alere home health agencies in Tennessee, and is part of a national network of Alere agencies supported by regional clinical centers that electronically monitor health status of Alere patients and participate in the patients care.

AWCH works with, and under the direction of patients' physicians, to provide clinically state-of-the-art home care exclusively to high-risk obstetrical patients and newborns for their antepartum and postpartum care. Alere does not provide any other type of home health services.

Alere is proposing to add twenty-three counties to the service area of its Hamilton County principal office to be able to serve referring physicians' patients where ever they live in the Eastern Tennessee area. Alere's application is the first of three applications being submitted to expand Alere's three service areas from 34 relatively populous counties to all 95 counties, including the least populous and lowest income counties.

Alere identifies the need for their services based on the following points:

- Alere's programs protect the lives of physician/payor identified high risk expectant mothers, and prevent fetal and newborn health problems that impose high medical and societal costs during and after pregnancy. Alere's interventions reduce costly emergency room visits, maternal hospitalizations, and newborn admissions to Neonatal Intensive Care Units (NICU). Alere states they have positive impacts on restraining costs of care and on increasing high quality outcomes that have resulted in strong physician and insurer support where ever it operates. According to the applicant, approximately 72% of the agency's patients are TennCare mothers, which provide fiscal benefits to State government.

2014 Alere Women's and Children's Health Tennessee

County	Patients	Patient Days	TennCare Percentage	TennCare Revenue	Commercial Percentage	Commercial Revenue
Davidson	186	13,842	47.98%	$305,662	51.91%	330,665
Hamilton	41	42,959	54.00%	$201,108	36.76%	$136,851
Shelby	376	23,253	35.10%	$440,733	63.07%	$792,107
Totals						

Source: *Joint Annual Report of Home Health Agencies, 2014 (Final).*

- The applicant states TennCare MCOs need universal availability of Alere's services throughout the State. Physicians, insurers, and patients need access to this unique level of care. Many home health agencies avoid serving the high risk population due to the risks of litigation and liability should things not go well.

- Approval of this project will result in greater accessibility to care for all high-risk pregnant women, especially TennCare patient who the applicant states are not adequately served today. Many of the patients Alere serves could potentially seek care at local emergency rooms or as hospital inpatients.

- Alere believes the expansion of its service area will have a minimal impact on other providers due to the unique and specialized nature of their services. In 2014, the applicant reports the agencies licensed in these 23 counties served 47,598 patients. No agencies in the proposed service are dedicated to serving the population the applicant serves. Alere proposes to serve just 94 patients in year two of this project.

Some of the benefits of the interventions Alere provides are elimination of barriers to care such as transportation problems, childcare issues, missing scheduled visits, reduced costs of emergency room visits, maternal hospitalizations, NICU care, and future health and societal costs, and a cost savings per birth in Medicaid savings.

TENNCARE/MEDICARE ACCESS:
The applicant will contract with the MCOs, not TennCare. Alere is a major provider of care for TennCare patients through service contracts negotiated with all TennCare MCOs themselves.

The applicant projects year one TennCare/Medicaid revenues of $634,444.65 or 81.0% of total gross revenues.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:
The Department of Health, Division of Policy, Planning, and Assessment have reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and if the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Costs Chart is located on page 55 of the application. The total project cost is $80,600.

Historical Data Chart: The Historical Data Chart is located on page 58 of the application. The applicant reported 54, 73, and 51 patients in 2012, 2013, and 2014 with net operating revenues of $48,838, $16,691, and $56,516 each year, respectively.

Projected Data Chart: The Projected Data Chart for both the current and proposed counties is located on page 60 of the application. The applicant reported 115 patients in year one and 149 patients in year two, with net operating revenues of $64,525 and $83,912 each year, respectively.

The Projected Data Chart for the proposed new counties only is located on page 59 of the application. The Applicant projects 60 patients in year one and 94 patient in year two with net operating revenues of $26,419 and $45,805 each year, respectively.

Average gross charges for the proposed 23 counties are as follows:

	Year One	Year Two
Patients	60	94
Average Gross Charge per Patient	$6,811	$6,811
Average Deduction per Patient	$4,535	$4,535
Average Net Charge per Patient	$2,276	$2,276
Average Net Operating Revenue Per Patient	$440	$487

Gross charges for all counties are as follows:

	Year One	Year Two
Patients	115	149
Average Gross Charge per Patient	$6,811	$6,811
Average Deduction per Patient	$4,535	$4,535
Average Net Charge per Patient	$2,276	$2,276
Average Net Operating Revenue Per Patient	$561	$563

The applicant decided to pursue this project due to continuous requests from referring physicians to extend their services to a wider geographic service area. The choosing of the 23 counties was dictated by an internal long range plan to expand Alere in order to serve the TennCare population.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:
Alere does not require transfer agreements because they are a service organization rather than a facility. If Alere patients develop a need for hospitalization, their physicians and patients request admission and patient transport via ambulance.

Alere does not believe their projected 94 patients in year to will have a negative impact on service area providers, many of whom do not serve pregnant women.

The project will have a positive impact on the health of individuals in these rural counties. Tennessee is above the national average for premature births. The strongest impact of this project will be a reduction of costly emergency room visits, maternal acute care admissions, NICU admissions of preterm babies, and excessive visits to obstetricians' offices.

The applicant's current and projected staffing is located on page 70 of the application. The applicant will increase from 7 registered OB nurses to 15 by year two. The days of service for these 14 additional registered nurses and call center staff will cumulatively total approximately 7.86 FTE equivalents. Of that, 2.06 FTE equivalents are cumulative per diems from the pool of qualified OB registered nurses who are employed by Alere to perform home care services under Alere protocols and under the direction of physicians.

Alere is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by the Joint Commission. Alere earned a Gold Seal from the Joint Commission for system-wide excellence.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan.*

HOME HEALTH SERVICES

1. The need for home health agencies/services shall be determined on a county by county basis.

2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.

   The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.

   The Department of Health, Division of Policy, Planning, and Assessment calculated the service area bed need surplus of (23,627) beds. No county in the designated service area has a need for new home health services. However, the applicant states the formula uses the entire population and not women of childbearing age that have high risk pregnancies that Alere projects.

3. Using recognized population sources, projections for four years into the future will be used.

   The applicant's service area contains the following counties.

County	***2016 Population***	***2020 Population***	***% of Increase/ (Decrease)***
Anderson	77,667	79,061	1.8%
Blount	133,236	139,725	4.9%
Campbell	41,464	41,787	0.8%
Carter	58,139	58,375	0.4%
Claiborne	33,800	34,713	2.7%
Cocke	36,976	37,663	1.9%
Grainger	23,890	24,577	2.9%
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Hamblen	65,332	67,028	2.6%
Hancock	6,951	7,007	0.8%
Hawkins	58,771	59,784	1.7%
Jefferson	55,714	58,372	4.8%
Johnson	18,793	19,112	1.7%
Knox	466,345	488,993	4.9%
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Sullivan	158,938	159,749	0.5%
Unicoi	18,847	19,150	1.6%
Union	19,903	20,320	2.1%
Washington	133,817	140,905	5.3%
	1,738,410	**1,801,181**	**3.6%**

Tennessee Population Projections 2000-2020, 2015 Revised UTCBER, Tennessee Department of Health

4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

   Based on the number of patients served by home health agencies in the service area, an estimation will be made as to how many patients could be served in the future.

   The Department of Health, Division of Policy, Planning, and Assessment calculated the service area bed need surplus of (23,627) beds.

5. Documentation from referral sources:

a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

Alere provides letters in the application and in Supplemental 1.

b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

The applicant projects 43 cases of Preterm Education, Nursing Surveillance, and 17P Administration; 7 cases of Nausea and Vomiting in Pregnancy; 6 cases of Diabetes in Pregnancy; 3 cases of Hypertension in Pregnancy; and 1 case of Coagulation Disorders in Pregnancy.

c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

Alere provides letters in the application and in Supplemental 1.

d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

Alere is a national leader in the provision of comprehensive and specialized care to high-risk pregnant women and their fetuses/newborns. There is no other provider in the service area that is focus on this population. The applicant is high accessible to TennCare patients.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

a. The average cost per visit by service category shall be listed.

The applicant states a comparison cannot be made bases on differences between their bundled charges of $7,445 in 2014 and $6,811 in year two of the project. However, the applicant compared 13 area home health agencies' charges in Supplemental 1, page 63R.

b. The average cost per patient based upon the projected number of visits per patient shall be listed.

Average gross charges for the proposed 23 counties are as follows:

	Year One	**Year Two**
Patients	60	94
Average Gross Charge per Patient	$6,811	$6,811
Average Deduction per Patient	$4,535	$4,535
Average Net Charge per Patient	$2,276	$2,276
Average Net Operating Revenue Per Patient	$440	$487

Gross charges for all counties are as follows:

	Year One	**Year Two**

Patients	115	149
Average Gross Charge per Patient	$6,811	$6,811
Average Deduction per Patient	$4,535	$4,535
Average Net Charge per Patient	$2,276	$2,276
Average Net Operating Revenue Per Patient	$561	$563